

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**KINETIC INVESTMENT GROUP, LLC and  
MICHAEL SCOTT WILLIAMS,**

**CASE NO.: 8:20-cv-394-MSS-SPF**

Defendants, and

**KINETIC FUNDS I, LLC,  
KCL SERVICES, LLC d/b/a LENDACY,  
SCIPIO, LLC, LF42, LLC, EL MORRO  
FINANCIAL GROUP, LLC, and  
KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

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**RECEIVER'S SIXTH INTERIM OMNIBUS APPLICATION FOR  
ALLOWANCE AND PAYMENT OF PROFESSIONALS' FEES AND  
REIMBURSEMENT OF EXPENSES FOR APRIL 1, 2021 – JUNE 30, 2021<sup>1</sup>**

Mark A. Kornfeld, Esq., in his capacity as the court-appointed Receiver (the “Receiver”) for Defendant Kinetic Investment Group, LLC and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC (collectively, the “Receivership Defendants”), moves this Court for the entry of an order awarding fees and reimbursement of costs to the Receiver and his

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<sup>1</sup> See Order Appointing Receiver (Doc. 34) at ¶ 54.

professionals whose retention has been approved by the Court. *See* Docs. 41-43, 47, 154. This motion covers all fees and costs incurred from April 1, 2021, through June 30, 2021 (the “Application Period”). The Securities and Exchange Commission’s (the “SEC” or “Commission”) Standardized Fund Accounting Report (“SFAR”) for this period is attached hereto as **Exhibit 1**. The Commission does not oppose this Motion, and Defendant Williams does not take a position on the Motion. In support thereof, the Receiver states as follows:

**I. Preliminary Statement**

The Receiver seeks Court approval to pay the sum of \$119,521.75 to the professionals engaged by the Receiver for fees incurred and reimbursement of \$1,722.86 in expenses for a total payment of \$121,241.61. This Application includes time billed for the three-month period from April 1, 2021 through June 30, 2021. The professionals who seek payment hereunder have made various accommodations given the public interest nature of this appointment, including providing a discount to their normally-charged rates, agreeing to seek payment of fees on a quarterly basis, and not seeking payment for any time incurred prior to the Receiver’s appointment.

This is an extremely complex receivership involving the interrelated and simultaneous operation of multiple sub-funds in a hedge fund structure, a purportedly independent-yet- intertwined and financially-related lending platform, and the use of investor funds to purchase at least two parcels of real estate and fund the operation of at least three companies in Puerto Rico. The Receiver has also faced challenges in carrying out his duties given the current COVID-19 pandemic. Despite these

challenges, the Receiver and his retained professionals have worked expeditiously and efficiently to provide valuable services and secure investor assets, have billed at significantly reduced rates, and are entitled to reasonable payment of the fees and reimbursement of their expenses.

For the time covered by this Motion,<sup>2</sup> the Receiver and his Retained Professionals have performed extensive and valuable services on behalf of the Receivership estate which include, but are not limited to, the following:

**1. Reviewed Claims Received During Claims Process, Engaged In Discussions With Claimants, And Filed Motion Seeking Court Approval Of Receiver's Claim Determinations And Plan Of Distribution**

- Following the Court's approval of the Receiver's Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim For; and (iii) Claims Bar Date and Notice Procedures (the "Claims Motion"), the Receiver and his professionals mailed out over 100 "proof of claim" informational and directional packets to potential claimants, published notice of the claims process in several newspapers, and reviewed 37 proof of claim packets from potential claimants. On June 18, 2021, the Receiver filed his Unopposed Motion to Approve Determination and Priority of Claims; (ii) Pool Receivership Assets and Liabilities; (iii) Establish Objection Procedure; and (iv) Approve Plan of Distribution (the "Claims Approval Motion"). The Court entered an Order granting the Claims Approval Motion on July 21, 2021.

**2. Marketed Sale Of El Banco Espanol Building, Located And Negotiated With Bona Fide Bidders, And Closed Sale Of Building For \$4.15 Million**

- After working with a real estate broker and marketing the El Banco Espanol building located in San Juan, Puerto Rico, the Receiver ultimately received several offers before entering into an agreement to sell the building for \$2.1 million (exclusive of costs, commissions, and other expenses). The Receiver filed his motion seeking Court approval of the sale on February 1, 2021, and

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<sup>2</sup> Neither the Receiver nor his attorneys charged for the time spent preparing this motion.

the Court approved that motion on March 24, 2021 (Doc. 206). After publishing notice of the sale which notified interested third parties of the ability to submit a *bona fide* offer pursuant to 28 U.S.C. § 2001, the Receiver received four *bona fide offers* within the statutory period at a substantial premium over the previous sale price approved by the Court. The Receiver determined to accept the highest offer of \$4.15 million with a closing in 30 days. The Receiver subsequently worked diligently with local counsel to ensure that the Order granting the sale and procedures could be recognized in Puerto Rico and that the property could be sold on an ambitious closing schedule. These efforts were successful, and the Receiver ultimately closed on the sale of the property on May 11, 2021, which resulted in net proceeds to the Receivership Estate of approximately \$4 million (Doc. 236).

### **3. Reviewed Potential Third-Party Claims, Sent Demand Letters To Third-Parties, And Negotiated Resolutions**

- The Receiver has identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. After the Court granted his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims, the Receiver and his professionals continued evaluating those potential claims pursuant to the procedures approved by the Court. In May 2020, the Receiver and his professionals sent out seven demand letters to various individuals seeking the return of funds the Receiver believes are rightfully owing to the Receivership Entities. To date, the Receiver is in negotiations with several third parties to resolve his demands and continues to pursue other potential claims.

### **4. Worked With Court-Approved Professional To Evaluate ISX Asset**

- The Receiver was provided with what was represented to be the current code of the ISX software that was being developed by Receivership Defendant KIH, Inc. f/k/a Kinetic International, LLC. On March 18, 2021, the Receiver filed his Unopposed Motion for Authorization to Retain Marshall Swatt for Evaluation of ISX Asset, and the Court approved that motion on March 24, 2021 (Doc. 206). Following Mr. Swatt's retention, the Receiver was informed that the ISX code in his possession was incomplete and engaged in outreach efforts with third parties that had previously worked on the software. With Mr. Swatt's assistance and guidance, the Receiver now believes he has obtained a complete copy of the software code and will await Mr. Swatt's analysis and evaluation of that software.

### **5. Continued Efforts To List Villa Gabriella Property For Sale**

The Receiver and Defendant Williams previously entered into an agreement regarding the Villa Gabriella property in San Juan, Puerto Rico, following the Receiver's filing of his Motion for Turnover (Doc. 72). As required by the pertinent federal statute, the Receiver obtained three appraisals from disinterested real estate professionals and is working with his real estate broker to list the property for sale in the near-future. In late May, Defendant Williams' counsel communicated to the Receiver that he was opposed to any sale of the Villa Gabriella property before the case was scheduled for trial in September 2021. The Receiver has engaged in discussions with Defendant Williams' counsel and is also exploring potential avenues to list the market for sale. When the property is listed for sale, the Receiver will also post details to the Receiver's website, [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale). In the event the Receiver reaches an agreement with a prospective purchaser, he will then seek the Court's approval.

#### **6. The Fifth Interim Report**

- The Receiver prepared and filed his Fifth Interim Report on April 30, 2021 (Doc. 229), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

#### **7. Continued Investigation And Review of Relevant Documentation and Information**

- The Receiver and his professionals continued their investigation of the business operations of the various Receivership Entities. This included identifying, obtaining, and reviewing relevant documentation and information from the Receivership Entities' offices and interviewing various individuals.

#### **8. Listed For Sale And Disposed Of Personal Property from Sarasota Office**

- The Receiver filed his Unopposed Motion to Liquidate Personal Property on October 21, 2020, which was granted by the Court on November 5, 2020 (Doc. 153). Despite listing the items for sale on his website and on Craigslist, the Receiver received very little interest. The Receiver ultimately donated a significant amount of the items to several local non-profits and is exploring options to dispose of the remaining items as soon as possible.

#### **9. Attended To Litigation Matters**

- Both the Commission and Williams filed their respective motions for summary judgment on March 16, 2021, with Williams also filing his Motion for Judgment on the Pleadings. Those motions are fully briefed and remain pending. In addition, the Receiver monitored and took action when necessary relating to Williams' multiple motions seeking to modify the Court's asset freeze order (Docs. 233, 235, 237-238).

#### **10. Continued Investor Outreach and Website Updates**

- The Receiver responded to phone calls and written communications from Kinetic Funds investors and continued to provide updates and announcements on the informational website at [www.kineticreceivership.com](http://www.kineticreceivership.com) for investors and other interested parties.

The above activities are discussed in more detail in the Receiver's Sixth Interim Report which was filed on July 30, 2021 (Doc. 260) (the "Sixth Report"), as well as the Receiver's First Interim Report which was filed on April 30, 2020 (Doc. 60), Second Interim Report which was filed on July 30, 2020 (Doc. 111), Third Interim Report which was filed on October 30, 2020 (Doc. 150), Fourth Interim Report which was filed on February 1, 2021 (Doc. 175) and Fifth Interim Report which was filed on April 30, 2021 (Doc. 299). Each of those documents is also available on the Receiver's website at [www.kineticreceivership.com](http://www.kineticreceivership.com). The Receiver incorporates the Sixth Report into this Application and attaches a true and correct copy of the Sixth Report as **Exhibit 2** for the Court's convenience.

#### **II. Background**

On February 20, 2020, the Commission filed a complaint (Doc. 1) (the "Complaint") in the United States District Court for the Middle District of Florida (the "Court") against the Defendants Kinetic Investment Group, LLC and Michael S.

Williams and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC, alleging that the Defendants violated the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 by making false or materially misleading representations to investors and that over \$6 million of investor funds was misappropriated to fund other business ventures and pay for other unauthorized expenses. Doc. 1.<sup>3</sup>

According to the Complaint, the scheme involved securities offerings made on behalf of Relief Defendant Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Defendants Kinetic Investment Group, LLC (“Kinetic Investment”) and Williams. Defendants represented to investors that the largest sub-fund, Kinetic Funds Yield (“KFYield”), invested all of its assets in income-producing U.S. listed financial products hedged by listed options. *Id.* ¶ 2. Potential investors were told that KFYield was a liquid investment that would “maintain 90% principle [sic] protection” and that an investor could redeem their principal investment “100%...without penalties” with a 30-day written notice. *Id.* ¶¶ 2, 28.

Investors in the KFYield fund, which attracted the near-entirety of investor funds, were also often provided with documentation from Bloomberg’s reporting service containing claims about KFYield’s performance including that the fund had achieved positive annual returns every year since inception. Many, but not all,

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<sup>3</sup> On April 27, 2020, Williams served his Answer and Affirmative Defenses largely denying the Commission’s allegations (Doc. 56).



KFYield investors were also attracted to the investment opportunity given the advertised ability to simultaneously obtain a low- interest loan at the time of their investment from Relief Defendant KCL Services d/b/a Lendacy (“Lendacy”) based on the amount of their KFYield investment. Investors understood that Lendacy utilized its own private funding source to make the low-interest loans.

On March 6, 2020, the Court granted the Commission’s Motion for Appointment of Receiver and entered an Order appointing Mark A. Kornfeld as the Receiver over Defendant Kinetic Investment Group, LLC and the Relief Defendants (“Order Appointing Receiver”) (Doc. 34). The Receiver’s preliminary investigation has uncovered evidence supporting the Commission’s allegations that Defendants made a number of misrepresentations relating to the promised and actual use of investor funds and the performance of the Kinetic Funds portfolios. The Receiver’s preliminary forensic accounting also shows that at least \$6 million of investor funds were either misappropriated or otherwise diverted to other projects and expenses unrelated to the Kinetic Funds investment opportunity.

A mediation was held on August 28, 2020, but resulted in an impasse (Doc. 132). Both the Commission and Mr. Williams have filed motions for summary judgment.

### **III. Professional Services**

Pursuant to the Order Appointing Receiver, the Receiver obtained approval to engage various Retained Personnel to assist him in carrying out his duties and responsibilities in the Order Appointing Receiver. The Order Appointing Receiver



further set forth the frequency and procedures pursuant to which the Receiver was to seek compensation and expense reimbursement for the Receiver and his Retained Professionals. Doc. 34 ¶¶ 53-54. In accordance with the Commission's Billing Instructions, the Receiver states as follows:

- (a) **Time period covered by the Application:** April 1, 2021 – June 30, 2021.
- (b) **Date of Receiver's appointment:** March 6, 2020.
- (c) **Date services commenced:** February 14, 2020.<sup>4</sup>
- (d) **Names and rates of all professionals:** See Exs. 5-6.
- (e) **Interim or Final Application:** Interim.
- (f) **Records supporting fee application:** See below.

The following exhibits are provided in accordance with the Billing Instructions:

Exhibit 3: Receiver's Certification

Exhibit 4: Total compensation and expenses requested; any amounts previously requested; and total compensation and expenses previously awarded

Exhibit 5: Fee Schedule: Names and Hourly Rates of Professionals and Paraprofessionals & Total Amount Billed for each Professional and Paraprofessional:

Exhibit 5(a): Buchanan Ingersoll & Rooney PC

Exhibit 5(b): Yip & Associates

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<sup>4</sup> As further described in the Receiver's First Omnibus Fee Application, the Receiver and his professionals began undertaking efforts in the weeks prior to his appointment to prepare for the possibility of the Order Appointing Receiver being entered at or following the hearing on March 6, 2020, but neither the Receiver nor his Professionals sought reimbursement of those fees or expenses.

Exhibit 5(c): E-Hounds

Exhibit 5(d): PDR CPAs + Advisors

Exhibit 5(e): IRW Law Offices

Exhibit 6: The Professionals' time records for the time period covered by this Application, sorted in chronological order, including a summary and breakdown of the requested reimbursement of expenses:

Exhibit 6(a): Buchanan Ingersoll & Rooney PC

Exhibit 6(b): Yip & Associates

Exhibit 6(c): E-Hounds

Exhibit 6(d): PDR CPAs + Advisors

Exhibit 6(e): IRW Law Offices

#### **IV. Case Status**

##### **(a) Cash on hand**

As of the date of this Application, the Receivership bank accounts have a cumulative balance of \$20,171,111.37,<sup>5</sup> which includes the net proceeds from the liquidation of Receivership brokerage accounts as well as the deposit of approximately \$4 million in net proceeds from the Receiver's sale of the Banco Espanol building in Puerto Rico.<sup>6</sup>

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<sup>5</sup> This balance includes approximately \$266,370.34 in funds previously held in Mr. Williams' prior counsel's trust account and which were subsequently transferred to the Receiver's fiduciary accounts to be held in trust pending further Order from the Court. In the interim, the Court has authorized the payment of various living and legal expenses to or for Mr. Williams' benefit.

<sup>6</sup> Upon his appointment, the Receiver took possession of various sub-accounts at Interactive Brokers held by Kinetic Funds (the "KF Brokerage Account"), including several sub-

**(b) Summary of the administration of the case**

Since his appointment on March 6, 2020, the Receiver has administered the case with the objective of efficiently fulfilling his duties under the Order Appointing Receiver while doing so as cost-effectively as possible by, wherever available, leveraging the use of professionals with favorable rate structures.

During this reporting period, the Receiver has focused on continuing his investigation of the underlying business operations of the various Receivership Entities, enhancing and preserving the value of Receivership assets, investigating potential avenues to recover additional assets, and carrying out a Court-approved claims process to return funds to victims. These efforts have included reviewing submitted Proof of Claims and submitting the Receiver's claim and priority determinations for the Court's review, overseeing the successful and lucrative completion of the overbid procedure for the El Banco Espanol building in Puerto Rico

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accounts which appear to have been managed separately from Kinetic Funds (the "Other Accounts") and the existence of approximately \$12 million in margin obligations. The Receiver reached a settlement with the owners of the Other Accounts providing for a resolution of the roughly \$12 million in margin obligations across the KF Brokerage Account as well as the transfer of the net proceeds to the Receiver's fiduciary accounts, and filed a motion on September 30, 2020, seeking the Court's approval of that settlement as well as the closing of the KF Brokerage Account (the "Settlement Motion") (Doc. 141). The Court entered an Order granting the Settlement Motion on November 5, 2020 (Doc. 152) which, in relevant part, authorized the Receiver to carry out the proposed settlement and liquidate the KF Brokerage Account. The Receiver, with the assistance of his Retained Professionals, took necessary steps to comply with the Order resulting in the repayment of the remaining margin obligations and subsequently transferring net proceeds of approximately \$5.5 million from the KF Brokerage Account to the Receiver's fiduciary accounts at ServisFirst Bank. This transfer was in addition to the settlement payments totaling approximately \$3.4 million paid by the owners of the Other Accounts to the Receiver pursuant to the Settlement Motion.

that ultimately netted approximately \$4 million in proceeds for the Receivership Estate, exploring potential third party claims and serving demand letters on third parties, commencing the marketing process for the Villa Gabriella real estate in Puerto Rico, retaining and overseeing a professional to review the ISX asset, and continuing to investigate the underlying business operations and additional potential avenues for asset recovery. Although the Receiver has made significant progress, Defendant Williams continues to contest the Commission's allegations and thus the Receiver is unable to offer an estimate as to when the case is expected to close.

**(c) Summary of creditor claims proceedings**

The Receiver, along with his Retained Professionals, undertook significant efforts to understand the relationship between the Receivership Entities and current and former investors in order to determine the most equitable framework for a claims process to return investor funds that can be submitted for the Court's approval. Complicating this analysis was the fact that many of the current and former investors in Kinetic Funds also obtained a loan (or loans) from Receivership Entity Lendacy, which required the Receiver and his forensic professionals to conduct a full forensic analysis of the flow of funds between investors and all Receivership Entities over a seven-year period based on available financial records.

Following the Court's approval of the Receiver's Amended Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim Form; and (iii) Claims Bar Date and Notice Procedures (Doc. 155), the Receiver mailed out over 100 proof of claim packets to potential claimants and

creditors on November 17, 2020, published notification of the claim bar date of **February 15, 2021** in specified newspapers and his website, and filed his Notice of Publication and Claim Bar Date (Doc. 165). The Receiver ultimately received 37 proof of claim packets. On June 18, 2021, the Receiver filed his Claims Approval Motion in which he requested the Court's approval of his determinations of the approval and priority of the received claims as well as a plan for distribution. The motion remains pending. At this stage, the Receiver does not believe that sufficient funds exist to satisfy all anticipated investor claims in full.

**(d) Description of assets**

In addition to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Sixth Report attached hereto as **Exhibit 2**.

**(e) Description of liquidated and unliquidated claims held by the Receiver**

The Receiver continues to review potential causes of action against the principals of the Receivership Defendants and various third parties, which claims remain subject to the Receiver's ongoing investigation with the assistance of his legal and forensic professionals. These claims may include common law claims and claims under fraudulent transfer statutes. While the Receiver cannot yet predict the likelihood, amount or cost-effectiveness of particular claims or the claims as a whole, the Receiver continues to diligently evaluate claims against third parties.

**V. Services Provided And Compensation Sought By The Professionals**

**(a) Services Provided By The Receiver And Buchanan Ingersoll & Rooney PC**

The Receiver is a Shareholder at the law firm of Buchanan Ingersoll & Rooney PC (“Buchanan Ingersoll”). The Receiver has practiced law for nearly thirty years and has experience handling fraud recovery cases. The Receiver initially obtained Court approval to retain the services of Quarles & Brady, LLP (“Quarles & Brady”) to serve as his legal counsel. As an accommodation to the Receiver and the public interest nature of this matter, Quarles & Brady agreed to reduce the billing rate of its professionals for this case as provided in the Fee Schedule attached hereto as **Exhibit 5(a)** which was, on average, more than 20% (and in some instances, closer to 30%) less than the customary rate charged to clients. To date, these discounts resulted in a total reduction of over \$100,000 from the rates customarily charged by Quarles & Brady attorneys to clients. As of December 14, 2020, the Receiver and his lead counsel (Jordan D. Maglich) became associated with Buchanan Ingersoll. The Court approved the retention of Buchanan Ingersoll on December 9, 2020 (Doc. 159), including Buchanan Ingersoll’s agreement to continue the reduced existing billing rate of the Receiver and his professionals.

The standard hourly rate which the Receiver charges clients begins at (and often exceeds) \$625. The Receiver agreed that for purposes of his appointment as the Receiver, his hourly rate would be reduced to \$437.50 per hour, representing approximately a thirty percent (30%) discount off the standard hourly rate which he

charges clients in comparable matters. This rate was set forth in the Commission's Motion to Appoint Receiver, which the Court granted on March 6, 2020 (Doc. 34). During the time covered by this motion, the Receiver seeks compensation for 114.7 hours expended on this Receivership.

During the period covered by this Application, Buchanan Ingersoll spent 199.8 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver but only seeks compensation for 184.7 hours expended by legal professionals at Buchanan Ingersoll for professional services in the amount of \$102,455.25. The statement summarizing the services rendered by Buchanan Ingersoll is also encompassed within **Exhibit 6(a)** attached hereto. The work performed by Buchanan Ingersoll has been focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; investigating and pursuing additional assets for the Receivership, and coordinating the framework and procedures for a Court-approved claims process as detailed in the Interim Report. For the period from April 1, 2021, through June 30, 2021, the Receiver requests that the Court award the Receiver and Buchanan Ingersoll for professional services rendered in the amount of \$102,455.25.

The Receiver and his legal professionals with Buchanan Ingersoll provided these services to investigate the affairs of the Receivership Entities, preserve Receivership assets, and attempt to locate and recover additional assets. These services were incurred in connection with the administration of the Receivership and are for the benefit of aggrieved investors, creditors, and other interested parties of the



Receivership Entities. All of the services for which compensation is sought were rendered on behalf of the Receivership Entities and in furtherance of the duties of the Receiver, and in discharge of the Receiver's responsibilities under the Order Appointing Receiver.

**(b) Services Provided By Yip & Associates**

The Receiver obtained Court approval to retain the services of Yip Associates, experienced forensic accountants, to assist in investigating and analyzing the flow of funds both into and out of the various businesses operated by the Receivership Entities, and to assist in locating any additional funds. Yip & Associates has significant experience conducting forensic and fraud investigations in actions brought by state and federal regulators including the Securities and Exchange Commission. As set forth in the Receiver's Motion to Retain Yip & Associates, Yip & Associates agreed to reduce the rates of its professionals for this case. Hal Levenberg, a Director at Yip & Associates whose normal hourly rate charged to clients is \$395, agreed to cap his rate at \$295 which is the same rate charged by the Receiver's lead counsel, Jordan D. Maglich. Yip & Associates also agreed to discount the hourly rates charged by associates and senior associates from \$195 to \$245 to \$175 and \$220, respectively.

The Receiver has relied on Yip & Associates' extensive forensic accounting experience to assist him in understanding the complex relationship between the various Receivership Entities as well as account for the numerous inflows and outflows over the past seven-year period for which the Receiver has obtained voluminous banking and brokerage statements. These services were instrumental to

helping the Receiver understand and account for the flow of funds between the various entities and also saved the Receiver considerable time in preparing various documents and pleadings incorporating this forensic analysis including the Interim Reports. Yip & Associates also provided necessary services to allow the Receiver to analyze and determine the appropriate method and process for distributing funds back to investors and interested parties with approved claims, which ultimately resulted in the Receiver's mail-out of over 100 proof of claim packets to potential claimants and creditors and the subsequent analysis of the claims submitted by those potential claimants.

During the period covered by this Application, Yip & Associates billed 30.2 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, but only seeks compensation for 27 of those hours consisting of fees in the sum of \$7,280.00. A copy of the statement summarizing the services rendered by Yip & Associates is attached hereto as **Exhibit 6(b)**. The Receiver requests that the Court award Yip & Associates fees for professional services rendered April 1, 2021, through June 30, 2021, in the amount of \$7,280.00.

**(c) Services Provided By E-Hounds, Inc.**

The Receiver obtained Court approval to retain the services of E-Hounds, Inc. ("E- Hounds") to assist with managing and facilitating access to data imaged from electronic devices and hardware belonging to the Receivership Entities. As set forth in the Receiver's Motion to Retain Information Technology Professionals ) (the "IT Motion") (Doc. 38), E- Hounds principal Adam Sharp has extensive experience in

this field and also with assisting court-appointed receivers including in matters brought by the SEC. As an accommodation to the Receiver, E-Hounds agreed not to charge an up-front retainer and provided preferred hourly rates ranging from \$195 to \$250 for customary forensic imaging tasks.<sup>7</sup> The Receiver has leveraged E-Hounds' lower rate structure to identify and preserve electronic data obtained from Receivership Entities' computer servers, electronic devices and paper files located at the Sarasota office and utilize the firm's review platform as a central review platform with no additional servicing or storage fees. The Court granted the Receiver's Motion to retain E- Hounds on March 6, 2020 (Doc. 42).

The extent of services provided by E-Hounds to the Receiver during this application period has primarily consisted of updating and providing the document review platform and, where necessary, performing one-off forensic imaging tasks. The Receiver anticipates that this will remain the primary services provided by E-Hounds for the foreseeable future. During the period covered by this Application, E-Hounds seeks reimbursement of expenses in the sum of \$2,625.00. A copy of the statement summarizing the services rendered by E-Hounds is attached hereto as **Exhibit 6(c)**. The Receiver requests that the Court award E-Hounds fees for costs incurred from April 1, 2021, through June 30, 2021, in the amounts of \$2,625.00.

**(d) Services Provided By PDR CPAs + Advisors.**

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<sup>7</sup> E-Hounds' fee proposal, which was included in the Receiver's IT Motion, also included additional fees and services for non-customary tasks including expert witness and "triage reporting" services. Doc. 38 Ex. 2.

The Receiver obtained Court approval to retain the services of PDR CPAs + Advisors (“PDR”) to handle tax-related issues for the Receivership Entities. (Doc. 47.) This includes the preparation of any required tax-related documents as well as analyzing previous tax documents to assist the Receiver in performing his duties. PDR’s principal, Bill Price, routinely provides tax and accounting services in receivership matters. During the period covered by this Application, PDR billed the Receiver \$772.50 as set forth in the invoices attached as **Exhibit 6(d)**. The Receiver requests that the Court award PDR fees for professional services rendered incurred from April 1, 2021, through June 30, 2021, in the amount of \$772.50.

**(e) Services Provided By IRW Law Offices.**

In connection with his efforts to market and sell various Receivership real property located in Puerto Rico, the Receiver obtained Court approval to retain the services of IRW Law Offices (“IRW”) to provide legal services to the Receiver regarding those efforts. (Doc. 154). This includes the preparation of necessary sale-related documents and other services to assist the Receiver in performing his duties. During the period covered by this Application, the Receiver required IRW’s assistance in connection with the marketing and sale of the El Banco Espanol building in San Juan, Puerto Rico, including efforts to ensure that the expedited closing of that sale was completed. During this period, IRW seeks compensation for 26.25 hours expended on this matter and billed the Receiver for professional services rendered in the amount of \$6,389.00 and expenses of \$374.00 as set forth in the invoices attached as **Exhibit 6(e)**. The Receiver requests that the Court award IRW fees for professional

services rendered incurred from April 1, 2021, through June 30, 2021, in the amount of \$6,763.00.

### **MEMORANDUM OF LAW**

A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred. *See SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992) (“[I]f a receiver reasonably and diligently discharges his duties, he is entitled to compensation.”); *Donovan v. Robbins*, 588 F. Supp. 1268, 1272 (N.D. Ill. 1984) (“[T]he receiver diligently and successfully discharged the responsibilities placed upon him by the Court and is entitled to reasonable compensation for his efforts.”); *SEC v. Custable*, 1995 WL 117935 (N.D. Ill. Mar. 15, 1995) (receiver is entitled to fees where work was of high quality and fees were reasonable); *SEC v. Mobley*, 2000 WL 1702024 (S.D.N.Y. Nov. 13, 2000) (court awarded reasonable fees for the receiver and his professionals). In determining reasonable compensation for the services rendered by the Receiver and his Professionals, the Court should consider the circumstances surrounding the receivership. *See Elliot*, 953 F.2d at 1577.

In addition to fees, the receiver is “also entitled to be reimbursed for the actual and necessary expenses” that the receiver “incurred in the performance of [its] duties.” *Fed. Trade Comm’n v. Direct Benefits Grp., LLC*, 2013 WL 6408379, at \*3 (M.D. Fla. 2013). The Receiver and his Professionals support their claims for reimbursement of expenses with “sufficient information for the Court to determine that the expenses are actual and necessary costs of preserving the estate.” *SEC v. Kirkland*, 2007 WL

470417, at \*2 (M.D. Fla. 2007) (citing *In re Se. Banking Corp.*, 314 B.R. 250, 271 (Bankr. S.D. Fla. 2004)).

Here, because of the nature of this case, it was necessary for the Receiver to employ attorneys, accountants, and professionals experienced and familiar with financial frauds, federal receiverships, securities laws, banking, finance, and trusts and estates. Further, in order to perform the services required and achieve the results obtained to date, the skills and experience of the Receiver and the Professionals in the areas of fraud, securities, computer and accounting forensics, and financial transactions were indispensable.

The Receiver and his legal, forensic, and information technology professionals have each discounted their normal and customary rates as an accommodation to the Receivership and to conserve Receivership assets. The rates charged by the attorneys and paralegals are at or below those charged by attorneys and paralegals of comparable skill from other law firms in the Middle District of Florida. This case has been time-intensive for the Receiver and his Professionals because of the need to resolve many issues rapidly and efficiently. The attached Exhibits detail the time, nature and extent of the professional services rendered by the Receiver and his Professionals for the benefit of investors, creditors, and other interested parties. The Receiver anticipates that additional funds will be obtained through the Receiver's negotiations or litigation with third parties.

The Receiver is sensitive to the need to conserve the Receivership Entities' assets and respectfully submits that the fees and costs expended to date were

reasonable, necessary, and benefited the Receivership. Notably, the Commission has no objection to the relief sought in this motion. *Custable*, 1995 WL 117395, \*7 (“In securities law receiverships, the position of the SEC in regard to the awarding of fees will be given great weight.”)

### **CONCLUSION**

Under the terms and conditions of the Order Appointing Receiver, the Receiver, among other things, is authorized, empowered, and directed to engage professionals to assist him in carrying out his duties and obligations. The Order further provides that he apply to the Court for authority to pay himself and his Professionals for services rendered and costs incurred. In exercising his duties, the Receiver has determined that the services rendered and their attendant fees and costs were reasonable, necessary, advisable, and in the best interest of the Receivership.

**WHEREFORE**, Mark A. Kornfeld, the Court-appointed Receiver, respectfully requests that this Court award the following sums and direct that payment be made from the Receivership assets:

Mark A. Kornfeld, Esq. and Buchanan Ingersoll	\$103,804.11
Yip & Associates	\$7,280.00
E-Hounds	\$2,625.00
PDR CPAs + Advisors	\$772.50
IRW Law Offices	\$6,763.00



A proposed Order is attached as **Exhibit 7**.

**WHEREFORE**, the Receiver seeks entry of an Order granting this motion and awarding the Receiver and his professionals their interim fees, reimbursement of costs, and for such other relief that is just and proper.

**LOCAL RULE 3.01(g) CERTIFICATION**

Pursuant to Local Rule 3.01(g), the Receiver hereby certifies that he has conferred with counsel for Plaintiff, Securities and Exchange Commission, which does not oppose the requested relief. The Receiver has also conferred with counsel for Defendant Michael S. Williams, who takes no position on the requested relief.

Respectfully submitted,

**BUCHANAN INGERSOLL & ROONEY PC**

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*Attorneys for Receiver Mark A. Kornfeld*

**CERTIFICATE OF SERVICE**

I hereby certify that on August 16, 2021, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Christine Nestor, Esq.  
Stephanie N. Moot, Esq.  
John T. Houchin, Esq.  
Barbara Viniegra, Esq.  
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*Counsel for Defendant Michael Williams*

By: /s/ Jordan D. Maglich  
Attorney

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “1”



Oldsmar / Tampa / St. Petersburg

727-785-4447

813-498-1294

727-784-5491 Fax

[www.pdr-cpa.com](http://www.pdr-cpa.com)

## ***REPORT OF STANDARDIZED FUND ACCOUNTING REPORT***

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al.  
Tampa, FL

We have compiled the standardized fund accounting report for the period April 1, 2021 to June 30, 2021 and from inception March 6, 2020 to June 30, 2021, included in the accompanying prescribed form (Civil Court Docket No. 8:20-cv-00394-WFJ-SPF). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF).

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, is responsible for the preparation and fair presentation of the standardized fund account report in accordance with requirements prescribed by the Civil Court Docket No 8:20-cv-00394-WFJ-SPF, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the standardized fund accounting report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, in presenting financial information in the form of a standardized fund accounting report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the standardized fund accounting report.

This standardized fund accounting report is presented in accordance with the requirements of the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF , which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Civil Court Docket No 8:20-cv-00394-WFJ-SPF and is not intended and should not be used by anyone other than this specified party.

Oldsmar, Florida  
July 12, 2021

Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period 04/01/2021 to 06/30/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2021): <i>Increases in Fund Balance:</i>			\$ 16,493,630.73
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	11,155.72		
Line 5	Business Asset Liquidation	4,025,500.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
	<b>Total Funds Available (Line 1 - 8):</b>		4,036,655.72	20,530,286.45
	<i>Decreases in Fund Balance:</i>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	327,218.99		
Line 10b	Business Asset Expenses	25,412.00		
Line 10c	Personal Asset Expenses	8,829.36		
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		361,460.35	361,460.35
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment			
	System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			361,460.35
Line 13	<b>Ending Balance (As of 06/30/2021)</b>			20,168,826.10

Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period 04/01/2021 to 06/30/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			20,168,826.10
Line 14a	Cash & Cash Equivalents			20,168,826.10
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			20,168,826.10
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

\*Broker accounts U1364167 and U1364170 are not part on the Receivership and not included in above report.  
Accounts were closed and transferred out to the investors

Receiver: \_\_\_\_\_  
By: \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period From Inception 03/06/2020 to 06/30/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	<b>Increases in Fund Balance:</b>			
Line 2	Business Income			
Line 3	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	99,792.38		
Line 5	Business Asset Liquidation	4,025,500.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,472,685.90		
Line 8	Miscellaneous - Other	223,877.75		
	<b>Total Funds Available (Line 1 - 8):</b>		21,474,768.25	21,474,768.25
	<b>Decreases in Fund Balance:</b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	1,181,359.87		
Line 10b	Business Asset Expenses	34,151.18		
Line 10c	Personal Asset Expenses	35,317.74		
Line 10d	Investment Expenses	55,113.36		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		1,305,942.15	1,305,942.15
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			1,305,942.15



Line 13	Ending Balance (As of 06/30/2021)		20,168,826.10
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Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period From Inception 03/06/2020 to 06/30/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			20,168,826.10
Line 14a	Cash & Cash Equivalents			20,168,826.10
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			20,168,826.10
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

Receiver:  
By: \_\_\_\_\_  
Title  
Date \_\_\_\_\_

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “2”

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

**v.**

**KINETIC INVESTMENT GROUP, LLC and  
MICHAEL SCOTT WILLIAMS,** Case No: 8:20-cv-394-MSS-SPF

Defendants, and

**KINETIC FUNDS I, LLC,  
KCL SERVICES, LLC d/b/a LENDACY,  
SCIPIO, LLC, LF 42, LLC, EL MORRO  
FINANCIAL GROUP, LLC, and KIH, INC.,  
f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

\_\_\_\_\_/

**RECEIVER'S SIXTH INTERIM REPORT**

Mark A. Kornfeld, Esq., in his capacity as the court-appointed Receiver (the "Receiver") for Kinetic Investment Group, LLC ("KIG"), Kinetic Funds I, LLC ("Kinetic Funds"), KCL Services, LLC d/b/a Lendacy ("Lendacy"), Scipio, LLC ("Scipio"), LF 42, LLC ("LF42"), El Morro Financial Group, LLC ("El Morro"), and KIH Inc., f/k/a Kinetic International, LLC ("Kinetic International") (collectively, the "Receivership Defendants"), respectfully files his Sixth Interim Report (the "Sixth Report") covering information and activity occurring from April 1, 2021 to June 30, 2021. In addition to providing notice of the receivership to all known investors shortly after his appointment, the Receiver has also established an

informational website at [www.kineticreceivership.com](http://www.kineticreceivership.com), which is regularly updated with important court filings (including previous and subsequent Interim Reports), announcements, and other news that might be relevant to interested parties.

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## I. INTRODUCTION

### A. Overview of Significant Activities During This Reporting Period

During the time period covered by this Sixth Report (April 1, 2021 to June 30, 2021), the Receiver and his team of legal, technology, tax, and accounting professionals (collectively, the “Retained Professionals”) have engaged in significant activities including but not limited to:

1. **Reviewed Claims Received During Claims Process, Engaged In Discussions With Claimants, Filed and Obtained Court Approval Of Motion To Approve Receiver’s Claim Determinations And Plan Of Distribution**
  - Following the Court’s approval of the Receiver’s Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim For; and (iii) Claims Bar Date and Notice Procedures (the “Claims Motion”), the Receiver and his professionals mailed out over 100 “proof of claim” informational and directional packets to potential claimants, published notice of the claims process in several newspapers, and reviewed 37 proof of claim packets from potential claimants. On June 18, 2021, the Receiver filed his Unopposed Motion to Approve Determination and Priority of Claims; (ii) Pool Receivership Assets and Liabilities; (iii) Establish Objection Procedure; and (iv) Approve Plan of Distribution (the “Claims Approval Motion”). On July 21, 2021, the Court entered an Order granting the Claims Approval Motion.
2. **Marketed Sale Of El Banco Espanol Building, Located And Negotiated With Bona Fide Bidders, And Closed Sale Of Building For \$4.15 Million**
  - After working with a real estate broker and marketing the El Banco Espanol building located in San Juan, Puerto Rico, the Receiver ultimately received several offers before entering into an agreement to sell the building for \$2.1 million (exclusive of costs, commissions, and other expenses). The Receiver filed his motion seeking Court approval of the sale on February 1, 2021, and the Court approved that motion on March 24, 2021 (Doc. 206). After publishing notice of the sale which notified

interested third parties of the ability to submit a *bona fide* offer pursuant to 28 U.S.C. § 2001, the Receiver received four *bona fide offers* within the statutory period at a substantial premium over the previous sale price approved by the Court. The Receiver determined to accept the highest offer of \$4.15 million with a closing in 30 days. The Receiver subsequently worked diligently with local counsel to ensure that the Order granting the sale and procedures could be recognized in Puerto Rico and that the property could be sold on an ambitious closing schedule. These efforts were successful, and the Receiver ultimately closed on the sale of the property on May 11, 2021, which resulted in net proceeds to the Receivership Estate of approximately \$4 million (Doc. 236).

### **3. Reviewed Potential Third-Party Claims, Sent Demand Letters To Third-Parties, And Negotiated Resolutions**

- The Receiver has identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. After the Court granted his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims, the Receiver and his professionals continued evaluating those potential claims pursuant to the procedures approved by the Court. In May 2021, the Receiver and his professionals sent out seven demand letters to various individuals seeking the return of funds the Receiver believes are rightfully owing to the Receivership Entities. To date, the Receiver is in negotiations with several third parties to resolve his demands and continues to pursue other potential claims.

### **4. Worked With Court-Approved Professional To Evaluate ISX Asset**

- The Receiver was provided with what was represented to be the current code of the ISX software that was being developed by Receivership Defendant KIH, Inc. f/k/a Kinetic International, LLC. The Receiver has traced a significant amount of investor funds that were used to fund the development of the ISX software, which purported to be a blockchain-based trading exchange. The Receiver understands that development of this software ceased when all of Kinetic International's employees resigned in May 2019. On March 18, 2021, the Receiver filed his Unopposed Motion for Authorization to Retain Marshall Swatt for Evaluation of ISX Asset, and the Court approved that motion on March 24, 2021 (Doc. 207). Following Mr. Swatt's retention, the Receiver was



informed that the ISX code in his possession was incomplete and there were outreach efforts with third parties that had previously worked on the software. With Mr. Swatt's assistance and guidance, the Receiver now believes he has obtained a complete copy of the software code and will await Mr. Swatt's analysis and evaluation of that software.

## **5. Continued Efforts To List Villa Gabriella Property For Sale**

The Receiver and Defendant Williams previously entered into an agreement regarding the Villa Gabriella property in San Juan, Puerto Rico, following the Receiver's filing of his Motion for Turnover (Doc. 72). As required by the pertinent federal statute, the Receiver obtained three appraisals from disinterested real estate professionals and is working with his real estate broker to list the property for sale in the near-future. In late May, Defendant Williams' counsel communicated to the Receiver that he was opposed to any sale of the Villa Gabriella property before the case was scheduled for trial in September 2021. The Receiver has engaged in discussions with Defendant Williams' counsel and is also exploring potential avenues to list the market for sale. When the property is listed for sale, the Receiver will also post details to the Receiver's website, [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale). In the event the Receiver reaches an agreement with a prospective purchaser, he will then seek the Court's approval.

## **6. The Fifth Interim Report**

- The Receiver prepared and filed his Fifth Interim Report on April 30, 2021 (Doc. 229), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

**7. Continued Investigation And Review of Relevant Documentation and Information**

- The Receiver and his professionals continued their investigation of the business operations of the various Receivership Entities. This included identifying, obtaining, and reviewing relevant documentation and information from the Receivership Entities' offices and interviewing various individuals.

**8. Listed For Sale And Disposed Of Personal Property from Sarasota Office**

- The Receiver filed his Unopposed Motion to Liquidate Personal Property on October 21, 2020, which was granted by the Court on November 5, 2020 (Doc. 153). Despite listing the items for sale on his website and on Craigslist, the Receiver received very little interest. The Receiver ultimately donated a significant amount of the items to several local non-profits and is exploring options to dispose of the remaining items as soon as possible.

**9. Attended To Litigation Matters**

- Both the Commission and Defendant Williams filed their respective motions for summary judgment on March 16, 2021, with Defendant Williams also filing his Motion for Judgment on the Pleadings. Those motions are fully briefed and remain pending. In addition, the Receiver monitored and took action when necessary relating to Defendant Williams' multiple motions seeking to modify the Court's asset freeze order (Docs. 233, 235, 237-238).

**10. Continued Investor Outreach and Website Updates**

- The Receiver responded to phone calls and written communications from Kinetic Funds investors and continued to provide updates and announcements on the informational website at [www.kineticreceivership.com](http://www.kineticreceivership.com) for investors and other interested parties.

In summary, as of the date of this Report, the Receiver has (i) secured, frozen, marshaled, and liquidated assets for the benefit of victims, with a current balance of **approximately \$20 million** in the Receiver's fiduciary bank accounts;

(ii) secured significant real property assets and commenced the process of marketing and liquidating those assets which shall result in additional proceeds deposited with the Receivership Estate; and (iii) commenced a Court-approved claims process framework through which he intends to return recovered funds to approved claimants.

The Receiver's approximately \$20 million cash on hand is the result of the following actions:

- March 6, 2020: Froze approximately **\$7.6 million** in Receivership bank accounts located at BMO Harris Bank;
- March 20, 2020: Liquidated securities located in Kinetic Funds sub-accounts at Interactive Brokers. After satisfying the account margin obligations, approximately **\$5.5 million** was transferred to the Receiver's bank accounts on January 7, 2021;
- June 25, 2020: Liquidated gold coins held by Kinetic Funds for total proceeds of **\$223,877.75** which were deposited into the Receiver's bank accounts;
- November 10, 2020: Received nearly **\$3.5 million from** two Kinetic Funds investors as part of a settlement that ultimately offset roughly \$8 million of the approximately \$12 million in margin obligations in Kinetic Funds' Interactive Brokers' sub-accounts;
- May 11, 2021: Received approximately **\$4.0 million** in net sales proceeds from the sale of the property located at 152 Tetuan Street, San Jan, Puerto Rico 00901; and
- Through March 31, 2021, the Receiver and his retained legal, accounting, tax, and technology professionals have been paid approximately **\$950,000** in fees and expenses for their services.

The Receiver has updated his website and filed a notice with the Court regarding his closing of the sale of the El Banco Espanol building. The Receiver anticipates the additional deposit of a low seven-figure sum from his anticipated liquidation of the remaining Puerto Rico real estate parcel purchased using investor funds.

The Receiver also continues to evaluate the viability and equities of advancing potential claims against third parties to recover additional funds for the benefit of defrauded victims. Through these efforts, the Receiver has sought to and continues to investigate the relevant issues in order to enforce the Estate's rights and protect and maximize the Kinetic Funds' assets available for future return to investors. The above-referenced activities are discussed in more detail in the pertinent sections of this Sixth Report.

## **II. BACKGROUND**

### **A. Procedure and Chronology**

On February 20, 2020, the Commission filed a complaint (the "Complaint") (Doc. 1) in the United States District Court for the Middle District of Florida (the "Court") against Defendants and Relief Defendants alleging that Defendants violated the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 by making false or materially misleading representations to investors and that over \$6 million of investor funds was misappropriated to fund other business ventures and pay for other unauthorized expenses. Doc. 1 ¶¶4, 28-38.

The Complaint alleged that the scheme involved securities offerings made on behalf of Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Kinetic Investment Group and Defendant Williams. *Id.* ¶ 2. Defendants represented to investors that the largest sub-fund, KFYield, invested all of its assets in income-producing U.S. listed financial products hedged by listed options. *Id.* Potential investors were told that KFYield was a liquid investment that would “maintain 90% principle [sic] protection” and that an investor could redeem their principal investment “100% . . . without penalties” with a 30-day written notice. *Id.* ¶¶ 2, 28. Investors in the KFYield fund, which attracted the near-entirety of investor funds entrusted to Kinetic Funds, were routinely provided with documentation from Bloomberg’s reporting service that claimed KFYield had achieved positive annual returns every year since inception. *Id.* ¶ 24. Many, but not all, investors were also attracted to the Kinetic Funds investment opportunity by the advertised ability to obtain low-interest and unsecured loans from Lendacy based on their KFYield investment and with the understanding that 100% of their KFYield investment would continue earning dividends. *Id.* ¶ 28.

On March 6, 2020, the Court entered the Order Appointing Receiver. By separate Order, the Court also granted the Commission’s Motion for Asset Freeze and granted other relief as to all Defendants (Doc. 33). Among other things, the

Orders froze Defendants' assets and enjoined any further violations of federal securities laws.

On May 12, 2020, Defendant Williams filed his Answer and Affirmative Defenses to the Commission's Complaint in which he denied the Commission's substantive allegations and set forth 13 affirmative defenses (Doc. 56). On May 28, 2020, the Commission filed its Motion for Judgment of Permanent Injunction (Doc. 86) following the Receiver's execution of a Consent Judgment on behalf of the various Receivership Entities named in the Complaint, and the Court entered that Consent Judgment on November 5, 2020 (Doc. 156). The Commission and Defendant Williams mediated this case on August 28, 2020, which resulted in an impasse (Doc. 132). Both the Commission and Defendant Williams have filed pending dispositive motions seeking judgment in their favor. Docs. 200-202.

#### **B. The Receiver's Role and Responsibilities**

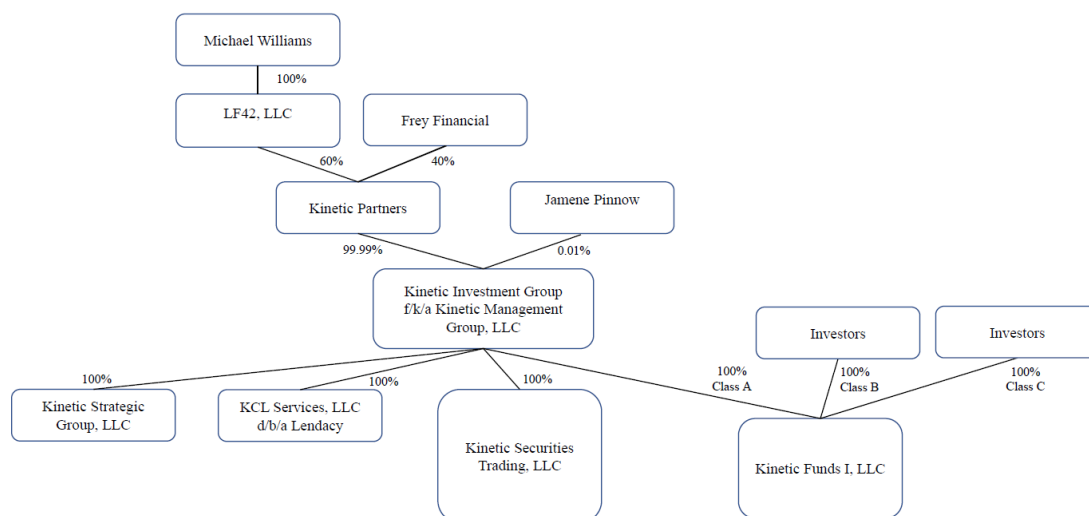
As an independent agent of the Court, the Receiver's powers and responsibilities are set forth in the Order Appointing Receiver which provides, in relevant part, that the Receiver:

- “[S]hall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the Receivership Defendants under applicable state and federal law...” and “shall assume and control the operation of the Receivership Defendants and shall pursue and preserve all of their claims.” Doc. 34 ¶¶ 4-5;

- Shall “take custody, control, and possession of all Receivership Property and records relevant thereto from the Receivership Defendants...” and “manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property pending further Order of this Court.” *Id.* ¶ 7(B);
- Is “authorized, empowered, and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted and...to institute such actions and legal proceedings...as the Receiver deems necessary and appropriate...” *Id.* ¶ 37; and
- Is directed to “develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property...and to “file and serve a full report and accounting of each Receivership Estate” for each calendar quarter. *Id.* ¶¶ 46, 48.

### **C. Receivership Defendants**

The Receiver incorporates by reference herein the descriptions of the various Receivership Defendants and Other Relevant Non-Parties set forth in the First Report. *See* Doc. 60 at pp. 12-16. A previous chart illustrating the relationship between these various entities is reproduced below:



Source: Tax Returns

Companies all used George V. Famiglio Jr. & Associates, CPAs, 1634 Main Street, Sarasota FL 34236, 941-957-0775

All businesses use address: 1800 Second Street, Suite 955, Sarasota

### III. OVERVIEW OF RECEIVER'S PRELIMINARY FINDINGS

The Receiver's issuance of interim quarterly reports is intended to, among other things, present a detailed summary of various preliminary findings and ongoing investigation. Unless specifically indicated herein, those preliminary findings are incorporated herein and remain consistent with the Receiver's ongoing investigation. The Receiver reserves the right to revise, amend, and/or supplement these conclusions as the investigation progresses. The Receiver presents the following non-exclusive conclusions that he continues to supplement based on his preliminary review of the documents in his possession and with the assistance of his Retained Professionals.

#### A. Discrepancies Between Kinetic Funds' Actual And Reported Performance And Assets



### **i. Performance Discrepancies**

Many investors were attracted to KFYield through promises of consistent investment returns made possible through lower risk, “principle [sic] protection,” and “maximum liquidity.” No later than early 2017, KFYield’s performance and other information were listed on Bloomberg, and those reports were provided to current and prospective investors showing that KFYield had achieved consistent positive returns. For example, the Q2 2019 Quarterly Report distributed to current investors included a Bloomberg report indicating that the fund had profitable monthly returns for 41 out of the 50 months during the period from April 2015 to June 2019 - including a streak of 21 consecutive months of positive monthly returns from October 2017 to June 2019.<sup>1</sup>

The following chart lists KFYield’s annual performance from 2013 to 2019 based on figures reported by Bloomberg and distributed to current and prospective investors:

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<sup>1</sup> With the exception of a -3.33% monthly return in 2015, the fund’s performance for the remaining reported eight unprofitable months during that period ranged from -.02% to -.61%.

<u>Year</u>	<u>Bloomberg Reported Performance For KFYield Fund</u>
2013	
2014	9.79%
2015	21.27%
2016	.21%
2017	2.24%
2018	1.04%
2019 (through June 28, 2019) <sup>2</sup>	7.09%
	2.45%

Beginning in June 2014, Kinetic Funds moved its brokerage accounts for KFYield and other sub-accounts to Interactive Brokers.<sup>3</sup> According to Interactive Brokers' Portfolio Analyst tool, the KFYield trading account's performance (and change in net asset value) from 2015 (the first full year at Interactive Brokers) to 2019 was:

<u>Year</u>	<u>Actual Interactive Brokers Performance For JFYield Fund</u>
2015	-8.8%
2016	-3.8%
2017	-27.5%
2018	12.8%
2019 (annual)	-1.2%

There are significant discrepancies between the figures reported on Bloomberg and calculated by Interactive Brokers.

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<sup>2</sup> The Receiver has not seen any information indicating that Kinetic Funds updated the Fund's reported Bloomberg performance figures after September 2019.

<sup>3</sup> Prior to June 2014, trading accounts for KFYield and other sub-funds were held at Bank of America/Merrill Lynch by Kinetic Securities Trading ("KST"), a predecessor to Kinetic Funds.

For example, in the “Fourth Quarter 2017” quarterly report distributed by Kinetic Investment Group that included the fund’s reported performance data on Bloomberg for that period, Defendant Williams stated that “[l]ast year maintained a conservative approach of over-hedging against potential market volatility.” The Bloomberg report included with that Quarterly Report showed that, as of December 29, 2017, the fund had total assets of \$31.78 million and its year-to-date performance was 1.04%.

However, the 2017 annual statement produced by Interactive Brokers for KFYield’s trading account showed that the account declined in value by over 25% during that period:

Net Asset Value					
	December 31, 2016	December 31, 2017			
	Total	Long	Short	Total	Change
Cash	-11,437,677.94	0.00	-88,877,936.84	-88,877,936.84	-77,440,258.90
Stock	17,663,496.00	104,667,799.00	-219,768.00	104,438,041.00	86,784,546.00
Options	264,376.62	3,067,374.02	-13,927,674.86	-10,860,300.83	-11,124,677.36
Interest Accruals	-4,140.83	0.00	-99,942.86	-99,942.86	-95,802.03
Dividend Accruals	34,887.82	134,620.11	0.00	134,620.11	99,632.29
<b>Total</b>	<b>6,510,940.57</b>	<b>107,869,693.13</b>	<b>-103,126,312.66</b>	<b>4,734,380.58</b>	<b>-1,776,559.99</b>
Time Weighted Rate of Return					-27.62%

According to this statement, KFYield had a Net Asset Value (“NAV”) of \$6,510,940.57 as of December 31, 2016, and that NAV declined to \$4,734,380.58 as of December 31, 2017 - an annual change of -\$1,776,559.99 or -27.62% of the account’s NAV. As of December 31, 2017, the account holdings consisted of over

\$104 million in stock positions, -\$10.8 million in net options positions, and a cash balance of nearly -\$89 million.<sup>4</sup>

Another portion of that statement entitled “Change in NAV” showed a breakdown of the annual change in the NAV during that period:

Change in NAV	Total
Starting Value	6,610,940.67
Mark-to-Market	-3,164,606.38
Position Transfers	16,684.00
Dividends	1,923,148.82
Withholding Tax	-2,036.76
Change in Dividend Accruals	99,632.29
Interest	-439,632.20
Change in Interest Accruals	-96,802.03
Other Fees	-263.30
Commissions	-120,842.30
Transaction Fees	-2,953.13
Ending Value	4,734,380.68

As the statement shows, the KFYield account generated nearly \$2 million in dividends during this period (which appeared to have largely been generated by using significant amounts of margin to purchase dividend-generating equities) but also incurred mark-to-market losses of over -\$3.1 million and paid over \$500,000 in commissions and margin interest charges.

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<sup>4</sup> Unlike previous reports, which included the fund’s top 10 holdings as of the end of the relevant quarter, the 2017 Q4 report included the fund’s top holdings as of February 13, 2018 - approximately 45 days after the end of the relevant quarter and which were significantly different than the fund’s holdings as of December 29, 2017.

Despite having open equity positions with a value of more than \$100 million as of December 29, 2017, the account statement shows that the vast majority of these holdings were purchased using margin and that the net account value was actually \$4.734 million as of December 29, 2017. In other words, the account's liquidation would have generated less than \$5 million in net proceeds. The fund's reported NAV of roughly \$4.7 million (and thus value of its investment holdings) as of December 31, 2017, differs by over \$25 million compared to the total assets represented in the Bloomberg report for the same time period. Similarly, the account's annual decline of over 27% during 2017 is significantly different than the 1.04% increase represented in the Bloomberg report for the same period. The Receiver has made requests to Defendant Williams' counsel for more information and clarification regarding the calculation of investment performance for KFYield but has, to date, not received any formal response.

## **ii. Apparent Shortfall**

Based on the above-identified discrepancies, there appears to have been a shortfall between actual and reported fund assets since at least 2017. Using the late-2017 timeframe as an example, the December 2017 monthly statements distributed to KFYield investors show the total market value of the KFYield fund

investments as nearly \$27 million.<sup>5</sup> This theoretically is the amount of funds that were being held and managed on behalf of KFYield investors, and accordingly is the amount that would need to be returned in the event that all investors elected to redeem their investments.

However, it appears that Kinetic Funds had approximately half of the amount represented to KFYield investors readily accessible and available for withdrawal as of December 31, 2017. As of December 31, 2017, Kinetic Funds' bank account at BMO Harris (which held investor deposits) had a balance of approximately \$9.8 million, and KFYield's sub-account at Interactive Brokers had a value of approximately \$4.73 million. Thus, Kinetic Funds had approximately \$14.5 million of available cash or securities assets to satisfy total KFYield investor obligations of approximately \$27 million (which does not include holdings or margin obligations in Kinetic Funds' other sub-accounts at Interactive Brokers<sup>6</sup>). Although the Receiver understands that Kinetic Funds had extended various Lendacy loans to investors and non-investors, the near-entirety of those loans specifically provided that the loans were unsecured and thus were not assets that could be immediately called or otherwise converted to cash to meet investor

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<sup>5</sup> This figure also appears to differ from the Bloomberg report showing total KFYield assets of nearly \$32 million as of December 29, 2017.

<sup>6</sup> For example, Kinetic Funds' master account had a negative margin balance of -\$7.3 million as of December 31, 2017 for which Kinetic Funds was legally responsible.

redemptions. Indeed, in the event that KFYield's largest investor alone sought to liquidate its \$18 million investment (which did not have a corresponding Lendacy loan), it is unclear how Kinetic Funds would have been able to satisfy that redemption - let alone maintain continuity of operations. The Receiver continues to investigate the origin, extent, and duration of this shortfall.

### **B. Analyzing The Use Of Investor Deposits**

From January 15, 2013 to March 4, 2020 (the "Relevant Period"), approximately \$44.1 million was deposited into Kinetic Funds' BMO Harris bank account with account number ending in x4255 (the "KF Bank Account"). The analysis by the Receiver and his Retained Professionals shows the following flow of funds and transaction activity in the BMO Account holding investor deposits:

- Approximately **\$11 million** was transferred during the Relevant Period from the KF Bank Account to Kinetic Funds' Interactive Brokers brokerage account in the master account with account number ending in x8796 (the "Brokerage Account"). This included a \$5 million transfer on December 29, 2016 which was used to reduce the then-outstanding -\$12.23 million margin balance to -\$7.24 million as of December 31, 2016, and thus never deposited into the KFYield sub-account. Another \$5 million was transferred to the Brokerage Account on June 29, 2018, of which \$4.995 million was transferred to the KFYield sub-account that same day.
- Nearly **\$13 million** of investor deposits was transferred from the KF Bank Account to Lendacy's BMO Harris bank accounts ending in x8676 and x1081 (the "Lendacy BMO Accounts") during the Relevant Period, which was in turn used for various purposes including:
  - Making at least 34 loans totaling **\$6.1 million** to various investors, insiders, and third-parties (excluding Michael Williams);

- Transferring an additional **\$4.3 million** at the direction, and for the benefit, of Defendant Williams for the purchase of two parcels of real estate in Puerto Rico;
- Transferring nearly **\$1 million** to Kinetic Investment Group's BMO Harris bank account;
- Transferring **\$586,550** to El Morro Financial;
- Transferring **\$550,000** to LF42; and
- Transferring nearly **\$500,000** for a private investment in an aerospace company in the name of Kinetic International.
- At least **\$6.1 million** of investor deposits was transferred from the KF Bank Account to current and former investors in the form of redemptions and distributions.
- Nearly **\$3.9 million** was transferred from the KF Bank Account to Kinetic Investment Group's BMO Harris bank account during the Relevant Period.<sup>7</sup> Kinetic Investment Group's bank account also received transfers of nearly \$1 million from Lendacy.
- Over **\$4 million** was transferred by the Receivership Entities to various third parties for professional services or payments, including:
  - Over \$1.53 million to ADP, a payroll processing company;
  - Nearly \$1 million to American Express for credit card payments;
  - Nearly \$700,000 for rental payments for the Sarasota KIG office and the Puerto Rico office used by El Morro and other entities;
  - Roughly \$230,000 for health insurance;
  - Approximately \$122,000 to Bloomberg LP; and

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<sup>7</sup> Kinetic Investment Group also received nearly \$1 million in transfers from the Lendacy Accounts, which received the near-entirety of their funding from the KF Bank Account (\$12.9 million) and payments from loan recipients (\$2.7 million).



- Nearly \$500,000 to legal and accounting firms.
- Over **\$1 million** was transferred in connection with Receivership Entity KIH, Inc. f/k/a Kinetic International, LLC's efforts to develop a software exchange platform known as ISX, including:
  - The transfer of **\$550,000** from the KF Bank Account to two Puerto Rico bank accounts established for Kinetic International, LLC;
  - The transfer of over **\$500,000** to fund a "launch event" in March 2019 and to pay outside contractors and developers.

On March 5, 2020, one day before the Court's hearing on the Commission's motions seeking an asset freeze and appointment of a receiver, Defendant Williams deposited approximately \$2.9 million with the Receivership Entities which included a \$2.35 million deposit into the KF Bank Account. Prior to that deposit the day before the Court's hearing, the KF Bank Account had a balance of less than \$5.2 million. Following appointment of the Receiver on March 6, 2020, a total of approximately \$7.6 million was frozen in the Receivership Entities' bank accounts at BMO Harris.

### **C. Kinetic Funds Management Fees**

The Receiver's investigation shows Kinetic Funds and Lendacy made total transfers of nearly \$5 million to Kinetic Investment Group over the relevant period - including nearly \$3.9 million alone from Kinetic Funds. Although the agreements between Kinetic Funds and its investors specified that Kinetic Funds would pay Kinetic Investment Group a management fee of 1% of assets under management as well as 20% of any profits realized from trading of investor assets,

the total transfers of nearly \$5 million appear to be significantly larger than what the 1% “expense ratio” for assets under management would have been even using the numbers reported to investors at the end of each calendar year.<sup>8</sup> Based on the Receiver’s investigation, it appears that at least a portion of these transfers were used by Kinetic Investment Group for other unauthorized expenses that did not benefit investors. For example, Kinetic Investment Group made nearly \$1 million in transfers to El Morro Financial during the period of March 2017 to December 2019. *See* First Report pp. 47-53.<sup>9</sup> The Receiver continues to investigate these discrepancies.

**D. Lendacy’s Funding Source Was Kinetic Funds**

Lendacy received approximately \$17 million into its bank accounts from February 2013 to March 2020, including nearly \$13 million in transfers of investor funds from Kinetic Funds’ bank account. Lendacy used these transfers to fund at

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<sup>8</sup> This also assumes that Kinetic Investment Group was entitled to receive this “expense ratio” fee even if a majority of investor funds were never deposited into brokerage accounts as represented.

<sup>9</sup> The vast majority of these transfers appear to have been made pursuant to monthly invoices ranging from \$25,000 to \$50,000 generated by El Morro for purported services relating to “Statement Reporting” and other various expenses apparently for Kinetic Funds investors. El Morro also funded a lavish Kinetic Financial Summit in San Juan, Puerto Rico in early 2019 that had no discernible benefit to Kinetic Funds investors.

least 34 loans to various individuals and entities during that time period. These loans often featured significantly below-market rates, were not typically collateralized, and contained little recourse in the event of default. Of those loans, roughly a third were made to insiders and non-KFYield investors that were necessarily funded using investor assets.

For example, a Lendacy loan was made to non-investor M.J. on or about May 4, 2016. It is believed that M.J. is Defendant Williams' niece, and the purpose of the loan appears to have been to fund a summer college program. The loan has been in default since M.J. last made a payment in June 2019. At least four employees also received Lendacy loans for various reasons including a "sales draw" and also to fund employee K.P.'s purchase of Defendant Williams' car. Each of those loans were in default no later than February 2019. Another Lendacy loan was made to Puerto Rico resident A.C. for what appears to be repairs to a business located in Puerto Rico. None of those Lendacy loan recipients were Kinetic Funds investors, meaning that their "loans" were necessarily funded with investor deposits.

A document located in Kinetic Funds' files and prepared by the former office administrator shows that a number of the investor loans were also in default as of December 2019 – including some loan recipients that had not made payments in months or even years. For example, Lendacy loans totaling approximately **\$2.5**

**million** to investors L.W., M.S., and C.G. appear to have been in default **since at least 2015**.

**E. Significant Losses From Association With VTrader Pro, LLC**

At the March 6, 2020 hearing, Defendant Williams’ counsel disclosed that part of the Kinetic Funds asset shortfall identified by the Court was attributable to losses suffered in connection with Kinetic Funds’ previous relationship with a failed broker-dealer named VTrader Pro, LLC (“VTrader”). The Receiver has seen evidence that Kinetic Funds’ predecessor, KST, was a Class B, “Entrepreneurial Member Trader” of VTrader before VTrader’s registration was terminated in January 2013.<sup>10</sup> As an “Entrepreneurial Member Trader,” KST shared in the profits and losses of VTrader and received distributions based on the percentage of profits in its individual trading accounts. There were number of other Member Traders in VTrader that were unrelated to KST or Defendant Williams. KST and every other Member Traders’ trading accounts were assets of VTrader and essentially comingled. This meant that KST’s trading account was subject to VTrader’s obligations and third party claims and exposed to the losses and shortfalls incurred by other Member Traders.

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<sup>10</sup> See <https://brokercheck.finra.org/firm/summary/131920>.

At some point in 2011, VTrader suffered heavy losses and needed a capital infusion to remain viable. To this end, Defendant Williams agreed to exchange \$1 million from the KST Class B investment in VTrader and convert it to Class A stock. VTrader subsequently collapsed, resulting in the loss of KST's \$1 million investment. It appears those losses were satisfied by (and correspondingly depleted) investor assets.<sup>11</sup> A K-1 was also generated showing a \$1 million loss for Kinetic Partners, LLC.

Between mid-2012 through the end of 2012, it appears KST moved its accounts out of VTrader and over to Bank of America/Merrill Lynch. The Receiver's investigation into these events has been hampered by the passage of nearly ten years from these events and the unavailability of sufficient documentation, but it appears that investor funds were adversely affected.

#### **F. Williams' Use Of Investor Funds For His Own Benefit**

The Receiver's review of the financial transactions among the various Receivership Entities has allowed him to trace millions of dollars in investor funds that were transferred to or for the benefit of Defendant Williams and without any

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<sup>11</sup> In January 2012, VTrader informed Williams that most of the \$1 million that KST had converted to Class A stock had been used to pay down debt balances owed by Class B members and was gone. With respect to the \$1 million Williams converted into a Class A investment, it appears that KST received only \$5,000 in the liquidation. Thus, in addition to any trading losses KST incurred on its subaccounts, it also seemingly lost nearly \$1,000,000 as a result of its Class A investment in VTrader.

discernible authorized purpose or benefit to Kinetic Funds. As further detailed in the First Report, these transfers include:

- The use of \$1.5 million in investor funds, later classified as a Lendacy loan, to purchase a luxury apartment multiplex in Puerto Rico and corresponding parking spaces. In addition to using one of the apartments as his primary residence, Defendant Williams also rented out one of the units to a tenant for which he received monthly rental income not turned over to Kinetic Funds (*See* First Report pp. 43-44);
- The use of \$2.755 million in investor funds, later classified as a Lendacy loan, to purchase a historic commercial bank building in San Juan, Puerto Rico on behalf of Receivership Entity Scipio, LLC (*See* First Report pp. 45-46);
- The use of \$2 million in investor funds, later classified as a Lendacy loan on behalf of Receivership Entity LF42, for various expenses relating to several Receivership Entities located and operating in San Juan, Puerto Rico, including the funding of the “Kinetic Summit” in February 2019 (*See* First Report p. 47);
- The payment of nearly \$1 million in investor funds to Receivership Entity El Morro Financial purportedly for statement preparation and other services and the payment of more than \$50,000 in salary to Defendant Williams from mid-2017 to mid-2019. Several \$10,000 checks were also written payable to (and signed by) Defendant Williams in late 2019 that contained the notation “Consulting Fee” in the memo portion:

1207

**EL MORRO FINANCIAL**  
83 PALMERAS ST, SUITE 603  
SAN JUAN, PR 00901

**SCOTIABANK DE PUERTO RICO**  
WWW.SCOTIABANKPR.COM

101-286215

DATE August 28, 2019

PAY TO THE ORDER OF Michael Williams \$ 10,000.00

Ten Thousand 00/100\*\*\*\*

MEMO May 2019 - backpay - Consulting Fee (El Morro)

100120710021502804987000553881

1208

**EL MORRO FINANCIAL**  
83 PALMERAS ST, SUITE 603  
SAN JUAN, PR 00901

**SCOTIABANK DE PUERTO RICO**  
WWW.SCOTIABANKPR.COM

101-286215

DATE August 28, 2019

PAY TO THE ORDER OF Michael Williams \$ 10,000.00

Ten Thousand 00/100\*\*\*\*

MEMO June 2019 - backpay - Consulting Fee (El Morro)

100120810021502804987000553881

(See First Report pp. 47-53);

- The structuring of at least one “Consulting Agreement” between Kinetic Investment Group and LF42, Defendant Williams’ entity, including an agreement in September 2019 - after Defendant Williams was on notice of the Commission’s investigation - signed by Defendant Williams on behalf of KIG and LF42 and pursuant to which Kinetic Investment Group transferred \$10,000 per month to LF42 from September 2019 to February 2020 for Defendant Williams’ benefit (See First Report p. 47);
- The sale of Defendant Williams’ car to an employee in the Sarasota, Florida Kinetic Funds office for which the employee signed a Lendacy loan for \$18,000 and the same sum was wired to Defendant Williams (See First Report p. 47); and

- Arranging for who the Receiver understands to be Defendant Williams' girlfriend to be on the payroll of Kinetic Investment Group despite the lack of any justifiable business purpose or services for value (See First Report pp. 47).

#### **IV. ACTIONS TAKEN BY RECEIVER DURING REPORTING PERIOD**

During the period covered by this Interim Report, the Receiver took a number of steps to fulfill his duties under the Order Appointing Receiver.

##### **A. Reviewed Claims Received During Claims Process, Engaged In Discussions With Claimants, And Filed Motion Seeking Court Approval Of Receiver's Claim Determinations And Plan Of Distribution**

On August 20, 2020, the Receiver filed his Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim Form; and (iii) Claims Bar Date and Notice Procedures (the "Claims Motion"). On November 5, 2020, the Court entered an Order granting the Claims Motion which established, in relevant part, the draft proof of claim form, the method to determine investor claims, timing and deadlines for submission of claims, and mechanisms to provide notice of the claims process. The Court also established a Claim Bar Date of 90 days following the mailing of Proof of Claim Forms to all potential claimants or investors. Pursuant to the Court's Order, any person or entity who failed to submit a completed proof of claim to the Receiver so that it is actually received by the Receiver on or before the Claim Bar Date is barred and precluded from asserting any claim against the Receivership or Receivership Entity.



On November 17, 2020, the Receiver mailed 141 claim packets to each known investor, other known potential creditors, and certain other individuals and/or entities, which established a **Claim Bar Date of February 15, 2021**. In addition to publishing notice on his website, the Receiver also published a Claim Bar Date Notice in (i) *The New York Times* on December 16, 2020; (ii) *El Nuevo Dia* on December 10, 11, 14, 15, 16, 17, and 18; and (iii) *the Sarasota Herald Tribune* on December 8, 9, 10, 11, 12, 15, and 16. On December 28, 2020, the Receiver filed his Notice of (i) February 15, 2021 Claim Bar Date and (ii) Publication of Claim Bar Date Notice (Doc. 165).

The Receiver ultimately received 33 timely and completed proof of claim packets on or before the Claim Bar Date, including 28 claims from Kinetic Funds investors and principals and 5 claims from non-investor creditors. The Receiver also received 4 investor proof of claim packets that were submitted shortly after the Claims Bar Date. In total, the Receiver received approximately \$35 million in claims submitted by investors and non-investors, which included a claim submitted by Defendant Williams for approximately \$1.4 million.

The Receiver worked with his legal and forensic Retained Professionals to review each of these claims and, where necessary, engage in further dialogue with the submitting potential claimant about any identified issues or discrepancies. On June 18, 2021, the Receiver filed his Unopposed Motion to Approve

Determination and Priority of Claims; (ii) Pool Receivership Assets and Liabilities; (iii) Establish Objection Procedure; and (iv) Approve Plan of Distribution (the “Claims Approval Motion”) (Doc. 249). The Court entered an Order granting the Claims Approval Motion, and that Order has been posted on the Receiver’s website. Pursuant to the Order, the Receiver mailed out correspondence to all Claimants on July 23, 2021 setting the Objection Deadline as **August 23, 2021**. Following the passage of the Objection Deadline, the Receiver intends to ask the Court for approval to proceed with a first distribution.

**B. Marketed Sale Of El Banco Espanol Building, Located And Negotiated With Bona Fide Bidders, And Closed Sale Of Building For \$4.15 Million**

In May 2018, Receivership Entity Scipio, LLC entered into an agreement to purchase the historic Banco Espanol building located at 152 Tetuan Avenue, San Juan, Puerto Rico (the “Bank Building”). The Receiver’s investigation showed that approximately \$2.775 million of funds traceable to Kinetic Funds’ bank account were used to purchase the Bank Building and that Scipio was listed as the buyer on the purchase agreement. *See* Doc. 60 at pp. 45-46.

After obtaining three appraisals of the Bank Building, the Receiver determined that liquidating the Bank Building via a private sale would yield the maximum recovery for the receivership estate, and as a result, entered into a listing agreement with Mr. Benjamin Rivera with ODV Appraisal Group. Following a

lengthy marketing process<sup>12</sup>, the Receiver entered into a Purchase and Sale Agreement to sell the Bank Building for \$2.1 million contingent on financing. The \$2.1 million offer was the highest offer submitted during the marketing process. The Receiver filed a motion seeking Court approval of the proposed sale as well as authority to publish the terms of the sale and accept qualifying overbids pursuant to 28 U.S.C. § 2001(b) on January 29, 2021 (the “Sale Motion”).<sup>13</sup> The Court approved the Sale Motion on March 24, 2021 (Doc. 206), which in relevant part granted the Receiver’s request to publish the terms of the proposed sale and accept qualifying overbids pursuant to 28 U.S.C. § 2001(b) and also gave the Receiver sole authority and discretion to review any overbid offers and sell the Bank Building.

The Receiver published the Court-approved Notice of Sale (the “Sale Notice”) on his website and in the *Sarasota Herald Tribune* and *El Nuevo Dia* on March 31, 2021.<sup>14</sup> The Sale Notice established an April 10, 2021 deadline for any interested third-party interested to submit a *bona fide* offer pursuant to 28 U.S.C. § 2001(b). The Receiver ultimately received four timely cash *bona fide* offers

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<sup>12</sup> See Doc. 175 at pp. 17-19 for further detail.

<sup>13</sup> The Receiver filed the Sale Motion after being informed by the then-buyer that the financial institution providing the financing would need a Court Order approving the sale to proceed any further.

<sup>14</sup> See Doc. 209, Receiver’s Notice of Publication.

pursuant to 28 U.S.C. § 2001(b), and determined to accept the highest offer of \$4.15 million with a closing in 30 days. The Receiver subsequently worked diligently with local counsel to ensure that the Order granting the sale and procedures could be recognized in Puerto Rico and that the property could be sold on an ambitious closing schedule. These efforts were successful, and the Receiver ultimately closed on the sale of the property on May 11, 2021, which resulted in net proceeds to the Receivership Estate of approximately \$4 million (Doc. 236).

**C. Reviewed Potential Third-Party Claims, Sent Demand Letters to Third Parties, And Negotiated Resolutions**

The analysis performed by the Receiver and his Retained Professionals identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. This included, without limitation, non-investors and/or insiders that received Lendacy loans as well as third-parties that received an inequitable transfer and/or benefit traceable to investor funds. The Receiver filed his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims on February 10, 2021, and the Court approved the motion on February 25, 2021 (Doc. 181).

On April 16, 2021, the Receiver sent out demand letters to six non-investor recipients of Lendacy loans with current outstanding balances and is engaged in discussions with several of the recipients regarding their repayment of the loans.

The Receiver and his Retained Professionals are also reviewing additional potential claims.

**D. Worked With Court-Appointed Professional To Evaluate ISX Asset**

Receivership Defendant KIH, Inc. f/k/a Kinetic International, LLC operated out of the same Puerto Rico office as El Morro, and was purportedly a start-up business working on the development of a blockchain trading platform known as ISX. Following Defendant Williams' resignation from Kinetic International in May 2019, the remaining Board of Directors ultimately ceased operations after an independent audit was performed. Following the Receiver's appointment nearly a year later, the Receiver was provided with what was represented to be the current source code of the ISX software. The Receiver sought to identify a professional that could provide an opinion on the status and potential value of the ISX software, and on March 18, 2021, filed his Unopposed Motion for Authorization to Retain Marshall Swatt for Evaluation of ISX Asset. The Court approved that motion on March 24, 2021 (Doc. 206).

Following Mr. Swatt's retention, the Receiver was informed that the ISX code in his possession was incomplete and engaged in outreach efforts with third parties that had previously worked on the software. With Mr. Swatt's assistance and guidance, the Receiver has obtained a complete copy of the repository of the software code and awaits Mr. Swatt's analysis and evaluation of that software.

Following Mr. Swatt's analysis and evaluation, the Receiver will then consider whether any value may be realized for the software.

**E. Continued Efforts To Market The Villa Gabriella Luxury Apartment Multiplex In Puerto Rico**

In addition to the Bank Building, the Commission's Complaint also alleged that Defendant Williams "used KFYield funds" to purchase "three luxury apartments and two parking spaces for himself in San Juan, Puerto Rico" ("Villa Gabriella") Doc. 1 ¶ 34. The Receiver's investigation revealed evidence supporting these allegations, including that funds from Kinetic Funds' bank account were directly traceable to the purchase of Villa Gabriella. *See, e.g.*, First Report pp. 43-44. On May 15, 2020, the Receiver filed his Motion for Possession of and Title to Residential Real Property (the "Motion for Turnover") (Doc. 72) seeking turnover of Villa Gabriella in order to secure and liquidate the property to generate additional funds to be used to compensate Kinetic Funds investors.<sup>15</sup> After the Motion for Turnover was filed, the Receiver was approached by Defendant Williams' counsel and subsequently entered into an agreement to resolve the Motion for Turnover that was set forth in the Joint Stipulation filed on July 6, 2020, and later adopted by the Court on July 8, 2020 (Doc. 105).

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<sup>15</sup> On March 6, 2020, Williams' counsel informed the Receiver's counsel of their position that the Villa Gabriella property was not subject to the Receiver's reach since it was held and owned by Williams individually. The Receiver temporarily agreed not to seek possession of the Villa Gabriella property in which Williams (and his girlfriend) were allegedly living.

After the mediation between the Commission and Defendant Williams resulted in an impasse, the Receiver reached out to local appraisers and commissioned three appraisals of Villa Gabriella and the associated parking spots. The Receiver has now received all three of these appraisals and is in the process of listing the properties for sale. In late May, Defendant Williams' counsel communicated to the Receiver that he was opposed to any sale of the Villa Gabriella property before the case was scheduled for trial in September 2021. The Receiver has engaged in discussions with Defendant Williams' counsel and is also exploring potential avenues to list the market for sale. When the property is listed for sale, the Receiver will also post details to the Receiver's website, [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale). In the event the Receiver reaches an agreement with a prospective purchaser, he will then seek the Court's approval. Any interested parties should check the Receiver's website at [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale) or contact the Receiver's listing agent at [ba-rivera@msn.com](mailto:ba-rivera@msn.com).

**F. Continued Monitoring Status Of Zephyr Aerospace Investment**

In or around March 2019, Kinetic International made a speculative investment totaling \$500,000 in an early-stage airline seat startup known as Zephyr Aerospace ("Zephyr") which was memorialized in a simple agreement for future equity ("SAFE") signed by Defendant Williams on behalf of Receivership Entity Kinetic International. This investment was traceable to investor funds. The SAFE

provided that Kinetic would be entitled to an issuance of shares or a return of its investment in the event of certain future events. Following the Receiver's appointment and discovery of the Zephyr investment, he has been in contact with Zephyr's principal and has continued to monitor the company's progress.

#### **G. Tended To Ongoing Litigation Matters**

The Receiver has, as necessary, tended to various pending litigation matters in this case. The Receiver continues to make monthly transfers to Defendant Williams to pay Court-ordered monthly living expenses (Doc. 95). Both the Commission and Defendant Williams filed their respective motions for summary judgment on March 16, 2021, with Defendant Williams also filing his Motion for Judgment on the Pleadings. Those motions are fully briefed and remain pending. In addition, the Receiver monitored and took action when necessary relating to Defendant Williams' multiple motions seeking to modify the Court's asset freeze order (Docs. 233, 235, 237-238).

Pursuant to the Order Appointing Receiver, the Receiver has also updated the Court and interested parties of his continuing progress in this case through the preparation of the First Report (Doc. 60), the Liquidation Plan (Doc. 92), the Second Report (Doc. 111), the Third Report (Doc. 150), the Fourth Report (Doc. 175), and the Fifth Report (Doc. 229). These documents and all other case filings are available on the Receiver's website, [www.kineticreceivership.com](http://www.kineticreceivership.com).



## **H. Ongoing Efforts to Obtain Documentation And Information From Parties And Non-Parties**

In addition to the computers and various documents located at the Sarasota Office, the Receiver and his Retained Professionals have continued to seek the production of relevant documentation and information from other parties. The Receiver recently served subpoenas on several third parties seeking relevant information and documents.

## **I. Continued Investor Outreach and Administration Of Website**

Throughout the relevant period, the Receiver continued to communicate with investors and other interested parties regarding the status of his efforts and any particular questions or issues brought to the Receiver's attention. The Receiver also continued to administer his informational website located at [www.kineticreceivership.com](http://www.kineticreceivership.com) which is regularly updated with court filings and reports and also allows interested parties to contact the Receiver.

## **J. Receivership Accounting**

Receivership funds are currently being held at ServisFirst Bank. The Receiver has attached a standardized fund accounting report showing the total funds on hand and secured as of June 30, 2021 as **Exhibit 1**.<sup>16</sup>

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<sup>16</sup> The report includes the bank account holding funds previously transferred by Williams' former counsel to the Receiver.

## **V. THE NEXT QUARTER**

### **A. Investigation**

The Receiver believes he has identified and, if applicable, frozen or secured all known assets attributable to investor funds, and he continues to investigate the Receivership Defendants' business operations and underlying financial transactions between those operations.<sup>17</sup> These investigative efforts remain ongoing through the review of additional documents from (and, where necessary, interviews with) third parties. The Receiver continues to work diligently and efficiently on this task, which includes a substantial amount of documentation and financial records. The Receiver will continue to attempt to locate additional funds and other assets and will likely institute proceedings to recover assets on behalf of the Receivership Defendants. In an effort to more fully understand the conduct at issue and in an attempt to locate more assets, the Receiver will continue to conduct interviews and/or depositions of parties and third parties who may have knowledge of the fraudulent scheme. The Receiver believes that continuation of the Receivership (and employment of the Retained Professionals) is necessary and imperative for the continued marshaling, liquidation, and distribution of assets.

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<sup>17</sup> A further description of these assets and the Receiver's intended liquidation plan is set forth in the Receiver's Liquidation Plan (Doc. 92) available on the Receiver's website and incorporated herein.

## **B. Continuing Implementation Of Claims Process**

The Receiver has prioritized the process of returning investor funds as soon as possible. The claims process prioritized by the Receiver is now well underway, with the Court having recently approved the Receiver's motion to approve his claim determinations, pooling of assets and liabilities, objection procedure, and plan of distribution (Doc. 256). The Receiver has mailed out correspondence to all Claimants to establish an Objection Deadline of August 23, 2021, and following that deadline intends to request approval for an interim distribution to Claimants holding approved claims with the highest priority.

## **C. Liquidation of Assets**

The Receiver continues to prioritize the marketing and sale of the Receivership Estate's real property assets. Following his successful liquidation of the Bank Building for net proceeds of **\$4.0 million**, the Receiver is now working to market and liquidate the Villa Gabriella property. The Receiver has been informed that, despite Defendant Williams' execution of the Joint Stipulation in which he "acknowledge[d] that he has no ownership, property, or other legal rights or interests in the Puerto Rico Condos and waives any claim to the contrary," Defendant Williams now opposes any sale of the Villa Gabriella Property on the basis that the Commission's trial should first take place. The Receiver does not believe this proposal is logical given the clear diversion of investor funds to

purchase the property, and he is continuing to evaluate the most proper and effective method to convert the asset to cash for the benefit of defrauded victims.

The Receiver has disposed of some, but not all, of the remaining personal property secured from Kinetic Funds' office in Sarasota, Florida. This has included donations to three local non-profits. Otherwise there has been very little interest from any third-parties for those assets, and the Receiver plans to dispose or donate the remaining items. As for the ISX software, the Receiver will review the evaluation prepared by Mr. Swatt and proceed with any viable avenues to realize any value from the sale of that asset. Finally, the Receiver will continue to engage in discussions with the Zephyr principal regarding the ability to receive any value for that investment. Any interested parties should visit the Receiver's website at [www.kineticreceivership.com](http://www.kineticreceivership.com) for more information.

#### **D. Potential Third-Party Claims**

The Court granted the Receiver's Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims on February 25, 2021. The Receiver is proceeding with pursuing some of those potential claims and will report back to the Court as necessary. It is too early to estimate whether or not the Receiver will bring any such claims or whether any claims will result in any recovery to the Receivership Estate, and thus the Receiver is not yet able to predict the likelihood, amount or effectiveness of any particular claim or the claims as a whole. The Court did approve the Receiver's plan to, in some instances, first offer

those who are required to return money to the Receivership Estate the opportunity to do so cooperatively and at a slight discount in an effort to avoid costly litigation for all involved. The Receiver will keep the Court apprised if any such actions are instituted.

Respectfully submitted,  
**BUCHANAN INGERSOLL & ROONEY PC**

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*Attorneys for Receiver Mark A. Kornfeld*

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on this 30th day of July, 2021, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Christine Nestor, Esq.  
Stephanie N. Moot, Esq.  
John T. Houchin, Esq.  
Barbara Viniegra, Esq.  
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*Counsel for Defendant Michael Williams*

/s/ Jordan D. Maglich  
Attorney

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “1”



## ***REPORT OF STANDARDIZED FUND ACCOUNTING REPORT***

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al.  
Tampa, FL

We have compiled the standardized fund accounting report for the period January 1, 2021 to March 31, 2021 and from inception March 6, 2020 to March 31, 2021, included in the accompanying prescribed form (Civil Court Docket No. 8:20-cv-00394-WFJ-SPF). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF).

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, is responsible for the preparation and fair presentation of the standardized fund account report in accordance with requirements prescribed by the Civil Court Docket No 8:20-cv-00394-WFJ-SPF, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the standardized fund accounting report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, in presenting financial information in the form of a standardized fund accounting report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the standardized fund accounting report.

This standardized fund accounting report is presented in accordance with the requirements of the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF , which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Civil Court Docket No 8:20-cv-00394-WFJ-SPF and is not intended and should not be used by anyone other than this specified party.

Oldsmar, Florida  
April 12, 2021



Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period 01/01/2021 to 03/31/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2021):			\$ 16,587,336.47
	<b>Increases in Fund Balance:</b>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	10,023.95		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
	<b>Total Funds Available (Line 1 - 8):</b>		10,023.95	16,597,360.42
	<b>Decreases in Fund Balance:</b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	95,078.23		
Line 10b	Business Asset Expenses	(626.78)		
Line 10c	Personal Asset Expenses	5,886.54		
Line 10d	Investment Expenses	3,391.70		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		103,729.69	103,729.69
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			103,729.69
Line 13	<b>Ending Balance (As of 03/31/2021)</b>			16,493,630.73

Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period 01/01/2021 to 03/31/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			16,493,630.73
Line 14a	Cash & Cash Equivalents			16,493,630.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			16,493,630.73
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
Line 15a	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

\*Broker accounts U1364167 and U1364170 are not part on the Receivership and not included in above report.  
Accounts were closed and transferred out to the investors

Receiver:  
By: \_\_\_\_\_  
Title  
Date \_\_\_\_\_

Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period From Inception 03/06/2020 to 03/31/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	<b>Increases in Fund Balance:</b>			
Line 2	Business Income			
Line 3	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	88,636.66		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,472,685.90		
Line 8	Miscellaneous - Other	223,877.75		
	<b>Total Funds Available (Line 1 - 8):</b>		17,438,112.53	17,438,112.53
	<b>Decreases in Fund Balance:</b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	854,140.88		
Line 10b	Business Asset Expenses	8,739.18		
Line 10c	Personal Asset Expenses	26,488.38		
Line 10d	Investment Expenses	55,113.36		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		944,481.80	944,481.80
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			944,481.80
Line 13	<b>Ending Balance (As of 03/31/2021)</b>			16,493,630.73

Standardized Fund Accounting Report for  
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis  
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF  
Reporting Period From Inception 03/06/2020 to 03/31/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			16,493,630.73
Line 14a	Cash & Cash Equivalents		*	16,493,630.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			16,493,630.73
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
	Report of Items Not To Be Paid by the Fund			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

Receiver:  
By: \_\_\_\_\_  
Title  
Date \_\_\_\_\_

Misc Items

Sale of Gold Coins 223,877.75

**Total** \$ 223,877.75

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “3”

**CERTIFICATION**

I, **MARK A. KORNFELD** (the "Applicant"), declare under penalty of perjury that the following is true and correct:

1. The Applicant is a Shareholder in the law firm of Buchanan Ingersoll & Rooney PC ("Buchanan Ingersoll") and the Receiver in this action. This Certification is based on the Applicant's first-hand knowledge of and review of the books, records and documents prepared and maintained by Buchanan Ingersoll in the ordinary course of its business. The Applicant knows that the facts contained in this motion regarding work performed by the Receiver and his staff and the facts contained in this Certification are true, and the Applicant is authorized by Buchanan Ingersoll to make this Certification. Having reviewed the time records and data which support the motion, the Applicant further certifies that said motion is well grounded in fact and justified.

2. The billing records of Buchanan Ingersoll which are attached to this Application are true and correct copies of the records maintained by Buchanan Ingersoll. These records were made at or near the time the acts, events, conditions or opinions described in such records occurred or were made. The Applicant knows that the records were made by persons with knowledge of the transactions or occurrences described in such records or that the information contained in the records was transmitted by a person with knowledge of the transactions or occurrences described in the records. The records were kept in the ordinary course of the regularly conducted business activity of Buchanan Ingersoll and it is the regular business practice of Buchanan Ingersoll to prepare these records.

3. To the best of the Applicant's knowledge, information and belief formed after reasonable inquiry, this motion and all fees and expenses herein are true and accurate and comply with the Billing Instructions for Receivers in Civil Actions Commenced by the SEC.

4. All fees contained in this Application are based on the rates listed in the fee schedule attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed.

5. The Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission).

6. In seeking reimbursement for a service which Buchanan Ingersoll justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for a service which the Applicant justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for the amount billed to the Applicant by the third-party vendor and paid by the Applicant to such vendor. If such services are performed by the Applicant, the Applicant will certify that he is not making a profit on such reimbursable service.

Executed this 16th day of August, 2021.



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**MARK A. KORNFELD**  
Receiver



**EXHIBIT “4”**

**TOTAL COMP AND EXPENSES**

**Total Compensation And Expenses Requested;  
Any Amounts Previously Requested;  
And Total Compensation And Expenses Previously Awarded**

<b>Name</b>	<b>Specialty</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>Total</b>	<b>Fees Previously Awarded</b>	<b>Expenses Previously Awarded</b>
Receiver and Quarles & Brady LLC	Attorneys		\$0	\$0	\$0	\$503,944.23	\$23,177.24
Receiver and Buchanan Ingersoll & Rooney PC	Attorneys	314.5	\$102,455.25	\$1,348.86	\$103,804.11	\$152,658.00	\$6,442.49
Yip & Associates	Accountants	30.2	\$7,280.00		\$7,280.00	\$217,230.25	\$558.80
E-Hounds, Inc.	Information Technology and Forensic Technology		\$2,625.00		\$2,625.00	\$40,490.00	\$10,500.00
IRW Law Offices	Attorneys	26.25	\$6,389.00	\$374.00	\$6,763.00	\$3,723.75	
PDR CPAs + Advisors	Accountants	6.0	\$772.50		\$772.50	\$13,955.00	\$380.25
K. Tek Systems	Website		\$0	\$0	\$0	\$3,990.00	
<b>Total</b>		<b>376.95</b>	<b>\$119,521.75</b>	<b>\$1,722.86</b>	<b>\$121,241.61</b>	<b>\$746,872.98</b>	<b>\$37,864.54</b>

**EXHIBIT “5A”**

**BIPC SCHEDULE**

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Expenses	Billable Amount
Mark A. Kornfeld	Litigation	Shareholder	1993	\$ 645.00	\$ 437.50	114.70		\$ 50,181.25
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00	118.40		34928.00
Lauren Humphries	Litigation	Associate	2015	\$ 390.00	\$ 270.00	58.90		15903.00
Tabitha Pellegrine	Labor & Employm	Paralegal		\$ 280.00	\$ 195.00	7.40		1443.00
							1348.86	1348.86
Total						299.40		\$ 103,804.11

**EXHIBIT “5B”**

**YIP SCHEDULE**

<b>Name</b>	<b>Title</b>	<b>Year Licensed/ Experience</b>	<b>Hours</b>	<b>Standard Rate</b>	<b>Billing Rate</b>	<b>Total Billed</b>
Marcie D. Bour	Partner	30 years		\$ 395.00	\$ 340.00	\$ -
Hal Levenberg	Director	10 years	14.90	\$ 395.00	\$ 295.00	\$ 4,395.50
Shawna B. Amarnai	Director	10 years		\$ 350.00	\$ 295.00	\$ -
Christopher M. Copley	Manager	12 years		\$ 300.00	\$ 245.00	\$ -
Nicole Escudero Duenas	Associate	6 years	15.30	\$ 245.00	\$ 245.00	\$ 3,748.50
Peter J. Tiano	Associate			\$195.00	\$ 195.00	\$ -
Santiago I. Carpio	Senior Associate			\$ 245.00	\$ 245.00	\$ -
Less Discount						\$ (864.00)
Plus Expenses						\$ -
<b>Total</b>			<b>30.20</b>			<b>\$ 7,280.00</b>

**EXHIBIT “5C”**

**E-HOUNDS SCHEDULE**

Name	Title	Standard Rate	Reduced Rate	Total Hours	Billable Amount	Expenses	Total Due
Robert Rohr	Senior Analyst	\$195 - \$250	\$195 - \$250	0	\$ -		
Ernesto Rojas	Evidence Technician	\$195	\$195	0	\$ -		
Sean Organ	Evidence Technician	\$225	\$225	0	\$ -		
David A. Bukas	VP of Operations	\$195	\$195	0	\$ -		
Review Platform Hosting						\$ 2,625.00	
Total				0	\$ -	\$ 2,625.00	\$ 2,625.00



**EXHIBIT “5D”**

**PDR SCHEDULE**

**PDR CPAs**

<b>Name</b>	<b>Title</b>	<b>Year Licensed/ Experience</b>	<b>Hours</b>	<b>Standard Rate</b>	<b>Billing Rate</b>	<b>Total Billed</b>
William E. Price	CPA	45+	0	\$ 320.00	\$ 320.00	\$ -
Gail Heinold	Accounting Manager	20+	0.75	\$ 210.00	\$ 155.00	\$ 116.25
Sharon O'Brien	Staff Accountant	10+	0	\$ 150.00	\$ 125.00	\$ -
Megan Justice	Staff Accountant	4+	0	\$ 150.00	\$ 125.00	\$ -
Tracy Hess	Tax Manager	5+	0	\$ 225.00	\$ 210.00	\$ -
Shelly Spencer	Staff Accountant		5.25		\$ 125.00	\$ 656.25
Expenses						
			6			<b>\$ 772.50</b>

**EXHIBIT “5E”**

**IRW SCHEDULE**

<b>Name</b>	<b>Practice Area</b>	<b>Title</b>	<b>Year Licensed</b>	<b>Standard Rate</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Expenses</b>	<b>Billable Amount</b>
Ivonne Rodriguez	Litigation	Attorney	2009	\$ 250.00	\$ 250.00	0.50		\$ 125.00
Zwindi Iglesias	Litigation	Attorney	2011	\$ 225.00	\$ 200.00	24.25		\$ 4,850.00
DR		Paralegal		\$ 150.00	\$ 150.00	0.25		\$ 37.50
GD		Attorney		\$ 175.00	\$ 175.00	7.50		\$ 1,312.50
							438.00	\$ 438.00
Total						32.50	0.00	\$ 6,763.00

**EXHIBIT “6A”**

**BIR INVOICE**



TRUIST Place  
401 E. Jackson Street, Suite 2400  
Tampa, FL 33602-5236

T 813 222 8180  
F 813 222 8189  
www.bipc.com

MARK KORNFELD, RECEIVER  
C/O BUCHANAN INGERSOLL & ROONEY  
SUNTRUST FINANCIAL CENTRE  
401 E. JACKSON STREET, SUITE 240  
ATTN: JORDAN MAGLICH, ESQUIRE  
TAMPA, FL 33602

July 14, 2021  
Invoice No. 12101189

## INVOICE SUMMARY

### For Professional Services Rendered:

RE: IN RE: KINETICS  
Our Reference: 0103373-000001

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Fees:	\$102,455.25
Disbursements:	<u>\$1,348.86</u>

<b>Total Current Invoice:</b>	<b>\$103,804.11</b>
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TAMPA, FL 33602

July 14, 2021  
Invoice No. 12101189

### For Professional Services Rendered:

RE: IN RE: KINETICS  
Our Reference: 0103373-000001

### SERVICES AND COSTS INCLUDING

Timekeeper	Date	Task	Narrative	Hours	Amount
Claims and Plan					
T. A. Pellegrine	04/15/21	B300	Preparation of claim notification emails to numerous claimants regarding May 15th claim due date.	1.10	214.50
T. A. Pellegrine	04/22/21	B300	Reviewed and cataloged claimant responses and election for or against proposed claims.	0.20	39.00
T. A. Pellegrine	04/29/21	B300	Reviewed and cataloged claimant correspondence and election; Updated chart of claimant responses.	0.20	39.00
T. A. Pellegrine	04/27/21	B300	Reviewed and cataloged claimant correspondence and election; Updated chart of responses.	0.20	39.00
T. A. Pellegrine	05/03/21	B300	Per Receiver reviewed claimant correspondence and elections; Updated chart of claimant responses.	0.10	19.50
T. A. Pellegrine	04/28/21	B300	Reviewed and cataloged claimant correspondence and election; Updated chart of claimant responses. (NO CHARGE)	0.10	N/C
T. A. Pellegrine	04/20/21	B300	Reviewed Certified mailing codes and incorporated into chart tracking claim notifications and receipts; Reviewed and managed documentation for future confirmation of transmittals.	0.40	78.00
T. A. Pellegrine	04/23/21	B300	Reviewed correspondence, downloaded and saved claims of M.S. and C.G.	0.20	39.00

MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Narrative	Hours	Amount
T. A. Pellegrine	04/16/21	B300	Preparation of notification and tracking chart for claimants notified of claims deadline via email and certified mail; Began incorporating tracked claims and claimant responses.	0.50	97.50
T. A. Pellegrine	04/19/21	B300	Reviewed claims and supporting documents from claimants and updated chart tracking claims.	0.50	97.50
T. A. Pellegrine	05/04/21	B300	Reviewed and cataloged claimant correspondence and election; Updated chart of claimant responses.	0.60	117.00
<b>Subtotal Claims and Plan</b>				<b>4.10</b>	<b>780.00</b>
Case Administration					
M. A. Kornfeld	04/20/21	B110	Emails, direct, advise L. Humphries, J. Maglich regarding offers of settlement, review claimant correspondence and analysis of those claimants documents regarding final claims determinations/numbers.	0.50	218.75
M. A. Kornfeld	04/16/21	B110	Emails, confer w J. Maglich, L. Humphries regarding settlement negotiations, proposal on payout schedule on Lendacy loan and borrowings.	0.40	175.00
J. D. Maglich	05/28/21	B110	Confer with third parties regarding response to issued subpoenas.	0.30	88.50
M. A. Kornfeld	06/14/21	B110	Emails. direct review analyze with J. Maglich regarding motion tentatively to be filed by 6-15.	0.50	218.75
M. A. Kornfeld	04/01/21	B110	Review, analyze claims, determinations numbers, distribution approaches and timing reserves.	1.00	437.50
M. A. Kornfeld	06/24/21	B110	Confer with J. Maglich, review, analyze correspondence emails relating to sale of apartment info ongoing efforts to clear title.	1.00	437.50
M. A. Kornfeld	04/08/21	B110	Review, analyze Werbin, Sorchinsky, EHS proof of claims, statements, investor files.	0.50	218.75



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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	04/02/21	B110	Review, analyze memo and issues relating to other assets, recovery efforts, potential claims.	0.70	306.25
M. A. Kornfeld	06/21/21	B110	Review, analyze emails, memoranda, documents for follow up meeting with counsel relating to storage issues, asset sales, cars, memorabilia, potential objections as needed , evictions proceedings, matters to tenants, ISX, Silexx, Zephyr, claims issues, settlement discussions.	2.00	875.00
J. D. Maglich	04/14/21	B110	Continue reviewing Fifth Fee App and associated exhibits and invoices (NO CHARGE)	1.00	N/C
M. A. Kornfeld	05/21/21	B110	Review, analyze forms, distribution, reserves precedents for approach to delivering claimants initial recovery.	1.20	525.00
M. A. Kornfeld	06/03/21	B110	Notice to tenants to vacate premises, ISX code valuation, ongoing motion drafting as to claims determinations and objections and distributions motion and process, document productions and review of same, potential third-party litigation, and securing and monetizing other potential Mr. Williams assets.	1.50	656.25
M. A. Kornfeld	04/08/21	B110	Review, analyze Retained Professional work product.	0.40	175.00
M. A. Kornfeld	06/24/21	B110	Review, analyze, advise J. Maglich regarding letters to investors.	0.20	87.50
M. A. Kornfeld	04/28/21	B110	Review analyze correspondence and responses and data for claimant questioning receivers calculations of net claims to be recognized.	0.50	218.75
M. A. Kornfeld	06/09/21	B110	Review, revise, amend, supplement claims determinations motion.	1.40	612.50
M. A. Kornfeld	05/18/21	B110	Emails, analyze correspondence regarding claims, direct L. Humphries regarding homestead exemptions, ability turnover motion impact.	1.00	437.50
M. A. Kornfeld	06/10/21	B110	Review, revise claims motion.	1.00	437.50
M. A. Kornfeld	04/15/21	B110	Review, analyze synopsis of activity for upcoming Interim Report.	0.40	175.00

MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	04/06/21	B110	Emails, analysis, confer, direct J. Maglich throughout day regarding calculations, accrued interest, Interim Report, ISX, letters to borrowers, Zephyr, non-party subpoenas, final claims determinations for submission to court.	1.70	743.75
M. A. Kornfeld	06/02/21	B110	Review analyze documents, emails, correspondence regarding their outstanding demand letters to non-investors, responses, Mr. Todd Merer, strategy, Mr. Williams objections to apartment sale, Homestead Act, local counsel, SEC Action, dissipation of assets, fee modification requests, briefing, ISX valuation of technology, third-party subpoenas, possible eviction proceedings.	2.00	875.00
M. A. Kornfeld	04/05/21	B110	Review, analyze claims work product for final determinations, responses to claimants.	1.00	437.50
M. A. Kornfeld	04/26/21	B110	Review, analyze reply briefs in SEC enforcement proceedings.	0.40	175.00
M. A. Kornfeld	06/21/21	B110	Review, analyze, issues relating to title and sale of apartments and tenants and serving subpoena on Ida.	0.60	262.50
M. A. Kornfeld	04/15/21	B110	Review, analyze demand letters to delinquent borrowers, emails with J. Maglich regarding same.	0.40	175.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	06/03/21	B110	Ongoing analysis, prepare for, call with, email memo to J. Maglich, L. Humphries regarding asset recovery items including status and strategy and negotiations as to demands to non investors to repay Lendacy loans, targeted clawback claims and actions for fraudulent transfers made near or immediately before receivership, serving all necessary investigatory asst tracing related subpoenas, analysis as to transfer of title on apartment buildings, turnover order, apartments and Homestead exemption, marketing building.	2.00	875.00
M. A. Kornfeld	04/29/21	B110	Emails confer with J. Maglich regarding emails, responses, support for claimant determinations, communications with claimants inquiring about Receiver's calculations and methodology.	0.50	218.75
M. A. Kornfeld	05/20/21	B110	Review claims correspondence.	0.20	87.50
M. A. Kornfeld	04/22/21	B110	Review analyze communications regarding apartment building, turnover, marketing recommendation.	0.40	175.00
M. A. Kornfeld	06/03/21	B110	Review, analyze SEC hardship forms for those claiming inability to repay wrongfully transferred funds, other exemplars of same, diligence process required for verifying or validating such claims.	0.20	87.50
M. A. Kornfeld	04/12/21	B110	Review and analyze summary judgment papers filed by Mr. Williams and SEC.	0.50	218.75
M. A. Kornfeld	05/06/21	B110	Review, analyze recent court filings.	0.20	87.50
M. A. Kornfeld	04/30/21	B110	Attended to issues regarding filing of Interim Report and status of closing of 152 Tetuan St. .	2.00	875.00
J. D. Maglich	04/23/21	B110	Continue drafting Fifth Interim Report and confer with Receiver regarding same.	1.50	442.50
M. A. Kornfeld	06/29/21	B110	Emails, confer with L. Humphries and J. Maglich regarding, review of, claimant letters and issues and potential response relating to objecting claimant J.S.	0.50	218.75

MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	06/29/21	B110	Outline issues to discuss with J. Maglich for Interim Report.	0.20	87.50
M. A. Kornfeld	05/06/21	B110	Ongoing throughout the day emails, analysis regarding Mr. Williams default in HOA, using proceeds allowed by court but not making this payment as required, next steps, receiver obligations as to HOA on the apartments and marketing, title, liens, relating to same.	1.40	612.50
J. D. Maglich	06/03/21	B110	Continue revising Motion to Approve Claim Determinations and Objection Procedure.	2.40	708.00
J. D. Maglich	04/22/21	B110	Continue drafting Fifth Interim Report	2.50	737.50
M. A. Kornfeld	04/12/21	B110	Emails to, from confer throughout day with J. Maglich, broker, regarding sale of building procedures timing, buyer diligence, purchase and sale agreement modifications, communications with original purchaser and other bidders, emails and analysis with broker and Puerto Rico counsel relating to timing and closing and title, communications regarding delivery of earnest money wires.	1.00	437.50
M. A. Kornfeld	05/06/21	B110	Review, analyze communications relating to claims determinations, review, analyze other claimants where ongoing discussions and correspondence over Receivers determinations, for discussion with J. Maglich as to same, Omnibus claims motion and objections procedures to be submitted on or before May 31.	2.00	875.00
M. A. Kornfeld	06/29/21	B110	Review, analyze communications from Mr. Williams counsel on the apartment and trial and assets.	0.40	175.00
J. D. Maglich	05/14/21	B110	Revise and finalize Fifth Fee Application and prepare for filing. NO CHARGE	2.00	N/C
J. D. Maglich	05/14/21	B110	Review and revise subpoena to FlexFunds and prepare Banco Popular subpoena to be issued.	0.60	177.00
J. D. Maglich	04/19/21	B110	Begin drafting Fifth Interim Report	2.50	737.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	04/15/21	B110	Revise and finalize Fifth Fee Application draft and prepare to be sent to SEC (NO CHARGE)	1.00	N/C
J. D. Maglich	04/30/21	B110	Revise and finalize Interim Report and prepare for filing.	3.50	1,032.50
M. A. Kornfeld	04/27/21	B110	Review, analyze, emails with, confer with, direct, authorize J. Maglich regarding letters to claimants with supporting documents, analysis of claims determinations, cash in, offsets for monies owed to receivership entities.	1.00	437.50
M. A. Kornfeld	04/27/21	B110	Confer with, emails with J. Maglich regarding potential claims to be asserted by third-party homeowner association vs. Mr. Williams for delinquent fees, receiver responsibilities/exposure as to same on receivership properties, apartments turned over by Mr. Williams, requirements to list, market apartments.	0.50	218.75
M. A. Kornfeld	04/09/21	B110	Calls emails with J. Maglich, broker regarding process and procedures for sale of building, new purchase and sale agreement, title, needs to close, timing, confirmations, earnest monies, original purchaser, notices, acceptances.	1.00	437.50
J. D. Maglich	06/15/21	B110	Confer with Lauren Humphries regarding issuance of subpoena to I.P.	0.20	59.00
J. D. Maglich	05/06/21	B110	Correspondence with Jon Jacobson regarding submission of invoices to Court and review filed motion for modification to asset freeze.	0.30	88.50
J. D. Maglich	05/10/21	B110	Exchange correspondence with Mr. Williams' counsel regarding Fourth Motion to Modify Freeze Order.	0.20	59.00
M. A. Kornfeld	04/08/21	B110	Review, analyze Lendacy files, as to certain borrowers in default.	0.50	218.75

MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	05/05/21	B110	Emails, analysis confer with J. Maglich regarding correspondence for counsel to the Fogarties, claims determinations. Review, confer with J.. Maglich regarding ISX valuation, Holland and Knight, bank subpoenas, potential legal judicial proceedings relating to the apartments.	1.50	656.25
J. D. Maglich	06/17/21	B110	Telephone and email correspondence with counsel for FlexFunds regarding subpoena.	0.40	118.00
J. D. Maglich	05/10/21	B110	Exchange correspondence with D.L. regarding subpoena response.	0.20	59.00
M. A. Kornfeld	05/28/21	B110	Review, emails with, analyze, review documents, outline next steps for meeting with L. Humphries, J. Maglich relating to demand letters to non-investors, settlement discussions, Mr. Todd Merer demand, third-party litigation, eviction proceedings, turnover motion, homestead exemption, enforcement proceedings, ISX, subpoenas, asset storage, a Holland and Knight, BANCO Popular, Flex Funds, Locke.	2.00	875.00
J. D. Maglich	06/08/21	B110	Exchange correspondence with counsel for FlexFunds regarding subpoena.	0.20	59.00
M. A. Kornfeld	04/08/21	B110	Exchange emails, advise J. Maglich regarding motion practice, response to Mr. Williams' counsel.	0.20	87.50
M. A. Kornfeld	05/06/21	B110	Emails, confer with J. Maglich regarding call with SEC.	0.20	87.50
M. A. Kornfeld	06/16/21	B110	Emails from confer with J. Maglich, L, Humphries, Zwindi regarding subpoenas, building, perfecting title, marketing, claims determinations and Objections motion.	1.30	568.75
M. A. Kornfeld	06/21/21	B110	Emails from/to J. Maglich, L. Humphries, regarding letter to investors, process timing on claims and objections.	0.40	175.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	06/07/21	B110	Telephone and email correspondence with J.A. regarding issuance and acceptance of subpoena and coordinate with L. Humphries regarding issuance and acceptance of subpoena to N.Z.	0.50	147.50
M. A. Kornfeld	06/04/21	B110	Call with SEC regarding sale of apartment buildings, other assets, claims determinations process, objections, timing, and expectations as to same.	0.70	306.25
J. D. Maglich	04/01/21	B110	Confer with PDR regarding obtaining various financial statements for fee application. NO CHARGE	0.50	N/C
J. D. Maglich	06/29/21	B110	Confer with Receiver and Puerto Rico counsel regarding status of Villa Gabriella property.	0.70	206.50
J. D. Maglich	04/05/21	B110	Confer with SEC regarding document production.	0.20	59.00
M. A. Kornfeld	04/07/21	B110	Exchange emails, follow up with J. Maglich throughout day regarding subpoenas, claims, additional investigation and discovery, review of assets.	1.00	437.50
M. A. Kornfeld	06/30/21	B110	Emails, confer with L. Humphries, J. Maglich regarding Merer, Lendacy borrower letters.	0.50	218.75
M. A. Kornfeld	04/12/21	B110	Confer with J. Maglich regarding Interim Report and sale of apartments, timing on claims determinations, follow up work required by Yip and letters to borrowers.	1.00	437.50
J. D. Maglich	06/21/21	B110	Exchange correspondence with Puerto Rico counsel regarding status of subpoena service to I.P.	0.10	29.50
M. A. Kornfeld	06/04/21	B110	Emails, confer with J. Maglich regarding Fogarty, EHS, Werbin, Symmes claims, Zephyr, percentage recovery to date, distributions, reserves.	0.40	175.00
M. A. Kornfeld	05/12/21	B110	Review, Emails, confer with J. Maglich regarding Freeze Order modification request and court order.	0.40	175.00
J. D. Maglich	04/06/21	B110	Confer with H&K regarding supplemental document production.	0.20	59.00

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J. D. Maglich	06/21/21	B110	Email correspondence with counsel for FlexFunds regarding subpoena response.	0.10	29.50
M. A. Kornfeld	06/08/21	B110	Confer with J. Maglich regarding claims determinations motion to be filed, efforts to formalize title ownership on apartments, emails, analysis and recommendations for discussions with F.T. regarding cash in, claims determination judgments.	1.00	437.50
M. A. Kornfeld	06/07/21	B110	Emails, confer with J. Maglich regarding open issues and back and forth as to claim amount, analysis as to same for F.T.	0.50	218.75
M. A. Kornfeld	06/11/21	B110	Confer, emails with J. Maglich foreign counsel regarding sale of apartment building, claims determination motion.	0.50	218.75
M. A. Kornfeld	04/21/21	B110	Review action items follow up regarding Silexx, ISX, Holland and knight, potential lawsuits.	0.50	218.75
J. D. Maglich	04/05/21	B110	Confer with Receiver regarding case status, current deadlines, and claims process timeline.	0.40	118.00
M. A. Kornfeld	04/09/21	B110	Emails with to direct J. Maglich regarding outstanding issues relating to determinations letters to claimants, and borrowers in default, F.T., response to Mr. Williams' proof of claim, third-party subpoenas, ISX, sale of apartment, next Interim Report.	1.50	656.25
T. A. Pellegrine	06/25/21	B110	Review of documents produced by Banco Popular for production of complete document via executable file provided by Banco Popular to note cut off data and duplicates.	0.50	97.50
T. A. Pellegrine	06/25/21	B110	Reviewed materials from Banco Popular regarding opening and reviewing documents produced; Attempts to launch execution file to review and create pdf files from included proprietary software; Coordinated production from executable Banco software. NO CHARGE	2.07	N/C



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J. D. Maglich	06/07/21	B110	Attend to payment of professional invoices per Court's Order. NO CHARGE	0.50	N/C
T. A. Pellegrine	06/24/21	B110	Reviewed correspondence from Banco Popular and downloaded production of accounts for subsequent review.	0.50	97.50
M. A. Kornfeld	06/09/21	B110	Emails, confer with J. Maglich regarding F.T. and reconciliations.	0.40	175.00
M. A. Kornfeld	04/16/21	B110	Emails, confer, review, analyze, comments on claims determinations letters as revised due to amended info on Lendacy, amounts due and owing, demand letters to individual borrowers non-claimants.	1.00	437.50
M. A. Kornfeld	06/15/21	B110	Confer with J. Maglich throughout day, regarding claims procedures timing and objections and reserves and sale of building.	1.30	568.75
M. A. Kornfeld	06/09/21	B110	Confer with J. Maglich regarding claims motion.	0.40	175.00
M. A. Kornfeld	05/14/21	B110	Review claims letters and motion relating to same.	0.20	87.50
M. A. Kornfeld	06/22/21	B110	Review, analyze back and forth correspondence on title, marketability, approach to claims and timing for distribution for 6-23 discussion with J. Maglich relating to same.	1.50	656.25
M. A. Kornfeld	04/13/21	B110	Review analyze work product spreadsheets, calculations, claims determinations info from Yip, confer, emails with J. Maglich regarding same, communications with claimants, omnibus motion on determinations and procedures.	1.00	437.50
M. A. Kornfeld	06/23/21	B110	Review analyze claims motion, exhibits and correspondence to investors regarding claims determinations motion objections procedures and timing.	1.00	437.50
J. D. Maglich	05/04/21	B110	Reach out to recent subpoena targets to confirm acceptance via email.	0.30	88.50
J. D. Maglich	05/04/21	B110	Begin reviewing production from H.K.	0.50	147.50

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M. A. Kornfeld	04/08/21	B110	Review, forms of motion to approve claims determinations and objections procedures.	0.40	175.00
M. A. Kornfeld	05/10/21	B110	Review, analyze comment on correspondence from investors regarding claims determinations.	1.00	437.50
J. D. Maglich	05/12/21	B110	Review status of new subpoenas to be issued.	0.20	59.00
J. D. Maglich	05/12/21	B110	Review Court's Orders directing payment to Mr. Williams' counsel, confer with Mr. Williams' counsel regarding same, and process payments.	0.50	147.50
J. D. Maglich	06/16/21	B110	Review draft subpoena to I.P. and coordinate with Lauren Humphries regarding service.	0.20	59.00
M. A. Kornfeld	04/29/21	B110	Review, analyze, and finalize 4-30-2021 Interim Report.	0.50	218.75
M. A. Kornfeld	04/14/21	B110	Confer with J. Maglich, advise, review claims letters, demand issues, Interim Report summaries, claims process, final calculations.	1.00	437.50
M. A. Kornfeld	05/25/21	B110	Review, analyze motions to modify freeze order and SEC opposition.	0.40	175.00
M. A. Kornfeld	04/22/21	B110	Review analyze letters and communications from claimants regarding claims determination processes.	0.50	218.75
M. A. Kornfeld	04/22/21	B110	Review prior filings in other receiverships regarding distributions scheme, reserves, pending regulatory activity.	0.50	218.75
M. A. Kornfeld	04/26/21	B110	Review, analyze comments to J. Maglich regarding response to claimants on claims determinations.	0.40	175.00
M. A. Kornfeld	04/21/21	B110	Review motion to validate Florida order to sell building for filing in district court Puerto Rico, emails with J. Maglich regarding same.	0.40	175.00

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M. A. Kornfeld	04/26/21	B110	Review, analyze, emails, confer, comments to J. Maglich regarding Interim Report, analysis and comments relating to claims determinations processes, non-party subpoenas, ISX, Silexx, Zephyr, building the estate, sale of real estate, Lendacy numbers.	1.40	612.50
M. A. Kornfeld	04/15/21	B110	Review, analyze comments on letters to claimants with supplemented Exhibits relating to Lendacy loan obligations, calculations, offsets against cash investments.	0.70	306.25
M. A. Kornfeld	05/11/21	B110	Memo to J. Maglich regarding subpoenas, assets, art, cars, claims determinations, ISX, Werbin, F.T., Mr. Williams, Frye, sale of apartment, Lendacy borrowers, third-party suits.	1.00	437.50
M. A. Kornfeld	04/21/21	B110	Call with L. Humphries regarding settlement discussions with borrowers in repayments to estate.	0.40	175.00
M. A. Kornfeld	04/05/21	B110	Review, comment, direct J. Maglich regarding scope, substance relating to non-party subpoenas.	0.50	218.75
J. D. Maglich	04/07/21	B110	Review SEC's supplemental responses to document request.	0.30	88.50
M. A. Kornfeld	05/03/21	B110	Emails confer with J. Maglich regarding Interim Report items, storage, non-party subpoenas, Banks, Zephyr, ISX, sale of building, sale of apartment, claims determinations motion for end of May.	1.50	656.25
M. A. Kornfeld	06/25/21	B110	Emails, confer with J. Maglich regarding claims, letter to claimants, review, analyze same.	0.50	218.75
M. A. Kornfeld	06/28/21	B110	Review analyze open issues relating to ISX, Silexx, subpoenas.	0.50	218.75
M. A. Kornfeld	04/19/21	B110	Review analyze correspondence, proposals on repayment plans, discuss, emails with L. Humphries, J. Maglich regarding timing, strategy, administration of estate, distributions.	1.00	437.50

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M. A. Kornfeld	05/17/21	B110	Review outstanding claims determinations issues, open asset questions relating to art, items in storage, miscellaneous equipment, ISX, and non-party subpoenas.	1.50	656.25
J. D. Maglich	04/30/21	B110	Review correspondence from Mr. Williams' counsel regarding fee request.	0.30	88.50
J. D. Maglich	04/01/21	B110	Confer with Stephanie Moot regarding case status.	0.40	118.00
J. D. Maglich	04/08/21	B110	Exchange correspondence with Mr. Williams' counsel regarding summary judgment motion.	0.10	29.50
M. A. Kornfeld	05/12/21	B110	Emails, analysis, confer with J. Maglich regarding status of claims determinations, emails, documents memos regarding Mr Merer.	1.00	437.50
M. A. Kornfeld	05/27/21	B110	Emails, Confer with J. Maglich regarding claims process, distribution, sale of apartment, subpoenas.	0.30	131.25
M. A. Kornfeld	04/22/21	B110	Emails, review, analysis from, w J. Maglich regarding action filed versus Mr. Williams in Puerto Rico.	0.40	175.00
M. A. Kornfeld	05/11/21	B110	Review, analyze, comments to claims determinations.	0.40	175.00
J. D. Maglich	04/06/21	B110	Review, revise and finalize latest round of subpoenas, confer with Receiver, and prepare for filing.	1.20	354.00
J. D. Maglich	06/29/21	B110	Review bank statements produced by Banco Popular.	0.40	118.00
J. D. Maglich	06/29/21	B110	Review correspondence from Williams' counsel regarding trial budget and status of Villa Gabriella property and confer with Receiver regarding same.	0.40	118.00
J. D. Maglich	04/26/21	B110	Review replies in support of summary judgment motion by Mr. Williams and SEC.	0.40	118.00
M. A. Kornfeld	04/23/21	B110	Review, analyze emails, prior work product regarding Silexx, Frye, non-party subpoenas, ISX, letters to borrowers in default, review correspondence from claimants in response to Receiver calculations.	2.00	875.00

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M. A. Kornfeld	06/01/21	B110	Review, analyze claims, outstanding issues, motion to be filed, timing, reserves, requirements, eviction proceedings, turnover motion negotiations.	1.50	656.25
J. D. Maglich	06/23/21	B110	Telephone call with Stephanie Moot regarding case status	0.30	88.50
J. D. Maglich	06/25/21	B110	Review Court Order regarding Williams' motion to modify and execute wires per Court Order.	0.30	88.50
J. D. Maglich	04/11/21	B110	Review invoices and begin preparing Fifth Fee Application (NO CHARGE).	3.00	N/C
M. A. Kornfeld	04/21/21	B110	Emails review correspondence from claimants regarding individual claims determinations.	0.50	218.75
M. A. Kornfeld	04/23/21	B110	Review, analyze Fifth Interim Report, review disclosures relating to Lendacy, loans, claims process, prior reports.	0.50	218.75
J. D. Maglich	04/06/21	B110	Review Court filings on withdrawal of discovery motions and extension of response deadline.	0.20	59.00
M. A. Kornfeld	05/04/21	B110	Calls emails with J. Maglich regarding claims determinations discussions with Fogarties and other claimants, call with the commission on motion, sale, proceedings with Mr. Williams.	0.50	218.75
M. A. Kornfeld	06/28/21	B110	Review analyze correspondence to claimants, emails confer with J. Maglich regarding claims process, distributions Interim Report.	1.50	656.25
<b>Subtotal Case Administration</b>				<b>111.90</b>	<b>41,061.25</b>
Business Operations					
M. A. Kornfeld	05/12/21	B210	Tend to emails regarding return of earnest monies.	0.20	87.50
M. A. Kornfeld	04/06/21	B210	Attend to review of taxes, banking administration queries, filings for Kinetic entities.	1.00	437.50
J. D. Maglich	04/08/21	B210	Confer with Bill Price and Receiver regarding termination of 401k plan.	0.40	118.00

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J. D. Maglich	04/05/21	B210	Review tax documents prepared by Bill Price and correspond regarding same.	0.30	88.50
J. D. Maglich	05/12/21	B210	Confer with Bill Price regarding termination of PAI plan	0.30	88.50
T. A. Pellegrine	04/15/21	B210	Telephone conference with Gloria of Middle District of Florida Clerk's office regarding securing certified copy of case order (0.2); Coordinated securing certified copy of Order on Motion for Approval of Aprive Sale for transmittal to Puerto Rico (0.3).	0.50	97.50
M. A. Kornfeld	04/08/21	B210	Attend to emails from tax advisor, pension plans, filings.	0.40	175.00
J. D. Maglich	05/07/21	B210	Review IRS correspondence and confer with Bill Price regarding same.	0.40	118.00
M. A. Kornfeld	05/12/21	B210	Authorize, Administer payment of Retained Professional fees.	0.20	87.50
<b>Subtotal Business Operations</b>				<b>3.70</b>	<b>1,298.00</b>
Claims Administration and Objections					
J. D. Maglich	05/12/21	B310	Telephone and email correspondence with counsel for G.W. and M.W. and review receivership records and forensic accountant findings regarding same.	0.90	265.50
J. D. Maglich	04/20/21	B310	Review correspondence received from multiple investors regarding amended net investment amount.	0.30	88.50
J. D. Maglich	05/04/21	B310	Telephone call with counsel for F.T. regarding claims status.	0.40	118.00
J. D. Maglich	04/29/21	B310	Prepare and coordinate transmittal of amended net investment amount determination letter for investor B.C. .	0.30	88.50
J. D. Maglich	06/29/21	B310	Telephone call with M.S. regarding claim process status.	0.20	59.00
J. D. Maglich	04/23/21	B310	Confer with Nicole Escudero regarding questions over J.S. claim submission.	0.20	59.00
J. D. Maglich	06/09/21	B310	Telephone and email correspondence with Hal Levenberg regarding claim determination for J.S.	0.40	118.00

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J. D. Maglich	04/22/21	B310	Telephone and/or email correspondence with investors S.K. and R.L. regarding amended investment amounts	0.30	88.50
J. D. Maglich	06/24/21	B310	Review and revise investor letter regarding claims determination motion and confer with Receiver regarding same.	0.50	147.50
J. D. Maglich	04/12/21	B310	Review claim determinations and participate in video call with Nicole Escudero regarding same.	0.80	236.00
J. D. Maglich	06/09/21	B310	Continue drafting and revising Motion to Approve Claims Determination and Priorities, Objection Procedure, and Plan of Distribution.	4.20	1,239.00
J. D. Maglich	06/18/21	B310	Revise and finalize Motion to Approve Claims Determination and Objection Procedure and accompanying exhibits and prepare for filing.	2.80	826.00
J. D. Maglich	04/11/21	B310	Draft letter to claimants advising of amended claim amount and confer with Receiver regarding same.	1.00	295.00
J. D. Maglich	06/10/21	B310	Continue drafting and revising Motion to Approve Claims Determination and Priorities, Objection Procedure, and Plan of Distribution.	2.80	826.00
J. D. Maglich	04/27/21	B310	Revise and finalize follow-up correspondence to claimants M.S., S.C., J.F., and L.W., confer with Receiver, and prepare for transmittal.	1.30	383.50
J. D. Maglich	04/26/21	B310	Begin drafting claim follow-up letters to recipients M.S., J.F., and S.C. that requested Receiver's breakdown of figures and confer with Receiver regarding same	1.40	413.00
J. D. Maglich	05/13/21	B310	Continue working on Motion for claim determinations and objection procedures.	3.80	1,121.00
J. D. Maglich	06/14/21	B310	Revise, finalize, and file motion for leave to file excess pages.	0.80	236.00
J. D. Maglich	06/08/21	B310	Continue revising Motion to Approve Claim Determination, Pool Assets, and Establish Objection Procedure.	4.80	1,416.00
J. D. Maglich	06/15/21	B310	Revise motion for claims determination.	0.50	147.50

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J. D. Maglich	05/14/21	B310	Continue drafting motion to approve claim determinations and objection procedure.	1.50	442.50
J. D. Maglich	04/15/21	B310	Revise and finalize Updated Claim letters and associated Exhibit A's to be sent to Claimants with amended Net Investment Amounts and coordinate mailing and emailing of same	2.00	590.00
J. D. Maglich	05/10/21	B310	Continue drafting Motion to Approve Claim Determinations.	3.40	1,003.00
J. D. Maglich	04/14/21	B310	Exchange correspondence with counsel for F.T. regarding call.	0.10	29.50
J. D. Maglich	04/16/21	B310	Telephone and email communications with investors J.D., L.W., F.L., M.S. and counsel for F.T. regarding amended claims letter and confer with Receiver regarding same (1.0); Correspondence with Hal Levenberg regarding claims amount for investor L.W. (.2)	1.20	354.00
J. D. Maglich	05/04/21	B310	Telephone call and correspondence with Puerto Rico counsel regarding status of Banco Espanol sale and procedures for moving forward with listing Villa Gabriella.	0.70	206.50
J. D. Maglich	04/14/21	B310	Prepare updated claims letter and exhibit a for Claimants with amended Net Investment Amount and participate in Zoom meeting with Nicole Escudero regarding same	2.50	737.50
J. D. Maglich	05/05/21	B310	Exchange correspondence with counsel for F.T. regarding claims status questions.	0.30	88.50
J. D. Maglich	04/29/21	B310	Continued discussions with investor S.C. regarding net investment amount and supporting documentation.	0.20	59.00
J. D. Maglich	04/20/21	B310	Exchange correspondence with Hal Levenberg regarding J.S. proof of claim questions.	0.20	59.00
J. D. Maglich	04/28/21	B310	Exchange correspondence with investor S.C. regarding net investment amount and supporting documentation.	0.30	88.50



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J. D. Maglich	04/19/21	B310	Telephone and/or email correspondence with investors A.H., W.C and J.S. regarding amended claims letter	0.40	118.00
J. D. Maglich	05/12/21	B310	Telephone and email correspondence with investor L.W. regarding status of proof of claim.	0.30	88.50
J. D. Maglich	06/15/21	B310	Exchange correspondence with Commission regarding meet and confer on Claims Determination motion.	0.20	59.00
J. D. Maglich	04/21/21	B310	Exchange and review correspondence with investor M.S., S.P., and counsel for investor G.W. regarding amended net investment calculation	0.30	88.50
J. D. Maglich	05/13/21	B310	Confer with Hal Levenberg and Nicole Escudero regarding status of J.S. claim.	0.40	118.00
J. D. Maglich	04/30/21	B310	Confer with counsel for investors J.F. and F.T. regarding claim status.	0.20	59.00
J. D. Maglich	06/23/21	B310	Confer with Receiver regarding status and next steps for Claims Determination Motion	0.40	118.00
J. D. Maglich	05/10/21	B310	Review submission by M.S.	0.10	29.50
J. D. Maglich	06/21/21	B310	Confer with Lauren Humphries regarding preparation of letter to investors regarding claims motion.	0.20	59.00
J. D. Maglich	06/14/21	B310	Confer with counsel for Mr. Williams and SEC regarding claims motion.	0.20	59.00
J. D. Maglich	06/25/21	B310	Review, revise, and finalize letter to Claimants regarding claims determination motion.	0.50	147.50
J. D. Maglich	06/07/21	B310	Review F.T. proof of claim and confer with Receiver, analyze receivership documents to determine appropriate net investment amount, and exchange correspondence with F.T.'s counsel regarding same.	1.00	295.00
T. A. Pellegrine	05/11/21	B310	Reviewed and cataloged claimant correspondence and election (Symmes, Fogarty, Silva); Updated chart of claimant responses.	0.60	117.00
J. D. Maglich	06/14/21	B310	Revise and finalize exhibits in support of claims motion and continue revising claims motion.	2.40	708.00

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J. D. Maglich	05/07/21	B310	Review status of claim submissions and agreement to amended net investment amounts and draft supplemental claim letter for investor L.W.	0.50	147.50
J. D. Maglich	04/28/21	B310	Review, analyze investor submission from B.C.	0.10	29.50
J. D. Maglich	05/04/21	B310	Review current status of claims submissions and continue drafting motion to approve claim determinations.	1.40	413.00
J. D. Maglich	06/09/21	B310	Analyze F.T. investment amount and participate in telephone call with counsel for F.T. regarding same.	1.00	295.00
J. D. Maglich	05/07/21	B310	Draft reminder correspondence to outstanding claimants to return amended net investment amount letter and exchange correspondence with M.S. and G.W. regarding same.	0.40	118.00
J. D. Maglich	06/08/21	B310	Continue reviewing and analyzing F.T. proof of claim and net investment amount determination and confer with Receiver regarding same.	0.70	206.50
J. D. Maglich	06/29/21	B310	Review correspondence from J.S. regarding claim process status and confer with Receiver regarding same.	0.20	59.00
J. D. Maglich	05/04/21	B310	Review claim submissions from E.B. and L.C. and exchange correspondence regarding same.	0.30	88.50
<b>Subtotal Claims Administration and Objections</b>				<b>51.90</b>	<b>15,250.50</b>
Asset Disposition					
T. A. Pellegrine	06/03/21	B130	Prepare Sharefile for exchange of documents and data with Andre Bonvanie, Erik Koster, Maurits Elzinga; Exchanged communications with Andre Bonvanie, Erik Koster, Maurits Elzinga and provided them with uploading and downloading credentials.	0.30	58.50

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T. A. Pellegrine	06/04/21	B130	Coordinated uploads and downloads of data with between Maurits Elzinga and Marshall Swatt; Downloaded and secured files from GlobalScreen; Expanded Sharefile for access to additional uploads; Exchanged communications with Maurits Elzinga and Marshall Swatt regarding uploaded data and securing the same.	0.50	97.50
<b>Subtotal Asset Disposition</b>				<b>0.80</b>	<b>156.00</b>
Asset Analysis and Recovery					
L. Humphries	06/11/21	B120	Review, analysis and preparation of edits to Motion to Approve Claims Determination to be filed with the Court.	1.20	324.00
L. Humphries	06/17/21	B120	Preparation of edits to documents to be delivered on Villa Gabriela penthouse by Puerto Rican legal counsel; Preparation of various correspondence regarding same.	0.80	216.00
L. Humphries	06/10/21	B120	Preparation of Motion to Exceed Middle District 25 Page Limit for Motion to Approve Claims Determination to be filed with court.	0.80	216.00
J. D. Maglich	05/12/21	B120	Review and finalize demand letter to Mr. Todd Merer and confer with Receiver regarding same.	0.40	118.00
J. D. Maglich	04/08/21	B120	Review offer for Banco Espanol building from third-party # 1 and confer with B. Rivera and Receiver regarding same	0.50	147.50
L. Humphries	04/16/21	B120	Preparation of various correspondence regarding demand for payment from investors.	0.20	54.00
L. Humphries	05/12/21	B120	Preparation of edits to demand letter to Mr. Todd Merer and related certified mailing.	0.40	108.00
J. D. Maglich	06/04/21	B120	Correspondence with GlobalScreen regarding access to ISX code.	0.30	88.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	05/11/21	B120	Confer with second-highest bidder for 152 Tetuan Street and Ben Rivera regarding return of deposit.	0.30	88.50
J. D. Maglich	04/14/21	B120	Confer with Marshall Swatt regarding analysis of ISX asset.	0.30	88.50
L. Humphries	04/19/21	B120	Preparation of various correspondence regarding Notice of Bona Fide Offers to Court.	0.20	54.00
L. Humphries	05/03/21	B120	Preparation of email correspondence to Kelly Locke.	0.10	27.00
L. Humphries	04/17/21	B120	Preparation of draft correspondence to Mr. Todd Merer regarding issue with return of Kinetic retainer from arrangement with Mr. Williams.	0.40	108.00
J. D. Maglich	05/06/21	B120	Telephone call with SEC regarding status of property sales and other pending assets.	0.40	118.00
L. Humphries	06/30/21	B120	Review and analysis of outstanding payments from non-investors; Preparation of various correspondence to non-investors following up on payment plan issues and determining first payment.	0.50	135.00
J. D. Maglich	04/07/21	B120	Multiple communications with third parties regarding bidding procedures and process for El Banco Espanol building and confer with Ben Rivera and Receiver regarding same.	1.20	354.00
J. D. Maglich	05/26/21	B120	Review correspondence from Mr. Williams' counsel and Commission regarding pre-trial brief.	0.10	29.50
L. Humphries	04/16/21	B120	Review and analysis of information for certified mailings.	0.40	108.00
L. Humphries	04/23/21	B120	Preparation of correspondence regarding phone conference between Marshall Swatt and Dan Roche.	0.20	54.00
J. D. Maglich	05/12/21	B120	Confer with Receiver and draft correspondence to Mr. Williams' counsel regarding status of tenants in Villa Gabriela and intent to sell units.	0.40	118.00
L. Humphries	05/19/21	B120	Preparation of various correspondence to Mr. Todd Merer; Receipt and review of correspondence regarding same.	0.40	108.00

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J. D. Maglich	05/07/21	B120	Telephone and email correspondence with V.H. regarding subpoena.	0.50	147.50
J. D. Maglich	06/19/21	B120	Meet non-profits at Storage Unit to donate miscellaneous, de minimus office equipment.	2.00	590.00
L. Humphries	05/04/21	B120	Preparation of non-party subpoenas and review of file information concerning same.	0.80	216.00
L. Humphries	04/19/21	B120	Preparation of edits to Notice to the Court of Bona Fide Offers regarding Sale of Real Property.	0.20	54.00
L. Humphries	04/21/21	B120	Preparation of various email correspondence to debtors regarding plan of Receiver.	0.40	108.00
J. D. Maglich	05/11/21	B120	Confer with Puerto Rico local counsel and Receiver regarding closing of 152 Tetuan Street and coordinate payment of seller's statutory disbursements to IRW Law Office.	0.80	236.00
L. Humphries	05/25/21	B120	Preparation of correspondence regarding ISX evaluation and retrieval of code.	0.10	27.00
J. D. Maglich	05/26/21	B120	Exchange correspondence and review status of disposal of personal property in Sarasota storage unit.	0.50	147.50
J. D. Maglich	05/10/21	B120	Confer with Receiver regarding conversation with V.H. regarding subpoena.	0.30	88.50
J. D. Maglich	04/28/21	B120	Email correspondence with E.K. regarding ISX software.	0.20	59.00
J. D. Maglich	04/30/21	B120	Telephone call with E.K. and Marshall Swatt regarding status of ISX code and confer with L. Humphries regarding same.	1.00	295.00
J. D. Maglich	04/30/21	B120	Exchange correspondence with Ben Rivera and Puerto Rico legal counsel regarding status of closing of 152 Tetuan St.	0.30	88.50
L. Humphries	04/30/21	B120	Preparation of edits to Interim Report regarding Receiver's update to Court.	1.00	270.00
J. D. Maglich	04/29/21	B120	Confer with Zephyr principal regarding status of investment.	0.20	59.00

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L. Humphries	05/25/21	B120	Review and analysis of information regarding updated request to Banco Popular; Preparation of various correspondence regarding same.	0.40	108.00
L. Humphries	06/14/21	B120	Preparation of updated correspondence and mailings to non-investors who owe debts to estate.	1.00	270.00
J. D. Maglich	05/10/21	B120	Coordinate and confer with Receiver and Puerto Rico local counsel regarding status of 5/11 closing.	0.50	147.50
J. D. Maglich	05/26/21	B120	Correspond with Puerto Rico real estate agent regarding Villa Gabriella listing.	0.20	59.00
J. D. Maglich	04/28/21	B120	Telephone call with Marshall Swatt and others regarding ISX software.	0.60	177.00
L. Humphries	04/15/21	B120	Receipt and review of various correspondence regarding information for investors with Lendacy debt.	0.20	54.00
L. Humphries	04/28/21	B120	Attendance at phone conference with J. Maglich regarding Erik Koster; Preparation of correspondence to Mr. Koster regarding ISX issue.	0.20	54.00
L. Humphries	06/01/21	B120	Preparation of correspondence to Mr. Todd Merer; receipt and review of various correspondence from same.	0.20	54.00
J. D. Maglich	04/10/21	B120	Review multiple bona fide offers for Bank Building, communicate with individuals regarding offers, and confer with Ben Rivera and Receiver regarding same.	1.20	354.00
J. D. Maglich	04/28/21	B120	Review draft closing documents and confer with Receiver and Puerto Rico legal counsel regarding same.	0.60	177.00
J. D. Maglich	04/23/21	B120	Review filed petition for miscellaneous relief regarding validation of sale order for 152 Tetuan Street.	0.20	59.00
L. Humphries	04/20/21	B120	Preparation of correspondence to Keli Pufahl regarding demand for repayment.	0.10	27.00
L. Humphries	04/06/21	B120	Preparation of documents for Marshall Swatt review of ISX asset.	0.70	189.00
L. Humphries	04/30/21	B120	Preparation of edits to correspondence to non-investors regarding Lendacy debt.	0.40	108.00

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L. Humphries	04/17/21	B120	Preparation of filing to Court regarding Notice of Bona Fide Offers for Sale of Property.	0.80	216.00
L. Humphries	04/20/21	B120	Preparation of correspondence to Marshall Swatt regarding ISX.	0.10	27.00
J. D. Maglich	06/28/21	B120	Confer with Marshall Swatt regarding status of Github repository review.	0.20	59.00
J. D. Maglich	05/10/21	B120	Exchange correspondence with second-highest bidder for 152 Tetuan regarding closing status and return of deposit.	0.20	59.00
J. D. Maglich	05/06/21	B120	Correspondence with GlobalScreen and Marshall Swatt regarding obtaining archived data.	0.40	118.00
M. A. Kornfeld	04/22/21	B120	Emails confer w J. Maglich, local counsel regarding filings, action in district court, closing and next steps.	0.50	218.75
L. Humphries	04/12/21	B120	Preparation of draft information regarding recovery of Lendacy loan outstanding balances.	0.50	135.00
L. Humphries	04/22/21	B120	Preparation of correspondence to ISX expert.	0.10	27.00
J. D. Maglich	06/15/21	B120	Confer with Ben Rivera regarding status of Villa Gabriela property.	0.20	59.00
J. D. Maglich	04/23/21	B120	Confer with Ben Rivera regarding status of art school tenant in 152 Tetuan Street property	0.30	88.50
J. D. Maglich	05/13/21	B120	Exchange correspondence with GlobalScreen regarding delivery of archived ISX code materials and confer with Receiver regarding same.	0.40	118.00
M. A. Kornfeld	04/16/21	B120	Calls, emails, analysis, confer throughout day with Puerto Rico counsel, J. Maglich regarding preparation and delivery of title, deed, registration, purchase and sale agreement, tax documents, closing, procedures, power of attorney, signatories, back up bidders, disclosures, all required processes.	0.50	218.75
L. Humphries	06/22/21	B120	Preparation of letter to claimants regarding recently filed Claims Determination Motion.	0.50	135.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	06/11/21	B120	Preparation of edits to Motion to Exceed Middle District Page Limit regarding Filing.	0.50	135.00
L. Humphries	05/03/21	B120	Preparation of Demand Letter to Mr. Todd Merer regarding \$75,000 outstanding debt owed.	0.50	135.00
J. D. Maglich	05/10/21	B120	Exchange correspondence with two third-parties regarding status of 152 Tetuan sale.	0.30	88.50
J. D. Maglich	04/06/21	B120	Telephone and email correspondence with potential third-party bidders and confer with Receiver and Ben Rivera regarding same.	1.30	383.50
J. D. Maglich	05/14/21	B120	Confer and strategize regarding disposal of storage items from Sarasota office.	0.30	88.50
L. Humphries	04/21/21	B120	Preparation of Notice of Bona Fide Offers regarding edit to language on closing; Preparation of email correspondence regarding filing with court.	0.40	108.00
L. Humphries	05/03/21	B120	Researched FlexFunds in preparation of subpoena for documents concerning ISX asset.	0.50	135.00
L. Humphries	05/05/21	B120	Preparation of update regarding Notice of Non-Party Subpoenas and amendment to Banco Popular subpoena.	0.40	108.00
M. A. Kornfeld	06/17/21	B120	Emails throughout day with foreign counsel, J. Maglich, regarding apartments title, transfer, service of subpoena.	1.00	437.50
M. A. Kornfeld	04/08/21	B120	Exchange emails, call with J. Maglich regarding new bid on Old San Juan apartment.	0.50	218.75
M. A. Kornfeld	05/11/21	B120	Communicate with counsel, brokers, prepare for, attend, oversee closing of \$4m sale of building and marketing, listing, strategy on sale of apartment villas.	2.00	875.00
M. A. Kornfeld	05/11/21	B120	Review, oversee Notice to court regarding sale of building.	0.40	175.00



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M. A. Kornfeld	04/26/21	B120	Review, analyze, emails, confer with broker, J. Maglich regarding marketing plan, issues relating to turnover of apartment, tenant, claims against Mr. Williams for HOA fees, Receivership responsibilities relating to same.	0.50	218.75
M. A. Kornfeld	04/27/21	B120	Emails, confer with counsel, J. Maglich regarding closing documents, review analyze same, administration, process for closing.	1.00	437.50
M. A. Kornfeld	04/07/21	B120	Exchange multiple emails, confer throughout day with J. Maglich, broker, regarding new offers on building, title, timing, responses, overall process.	0.70	306.25
M. A. Kornfeld	06/29/21	B120	Emails, calls with J. Maglich, Puerto Rico counsel regarding petition, judicial proceedings, timing, strategic and legal next steps as to apartments.	0.70	306.25
M. A. Kornfeld	04/13/21	B120	Review, analyze, emails, confer throughout day, comments to J. Maglich regarding revised purchase and sale agreement, communications with all bidders, setting closing time and process with new purchaser, memorializing diligence of highest bidder.	1.00	437.50
M. A. Kornfeld	06/10/21	B120	Call with counsel in Puerto Rico, J. Maglich regarding title and sale of apartment building and legal notices and issues and next steps.	1.00	437.50
J. D. Maglich	04/14/21	B120	Revise and finalize Purchase and Sale Agreement with high bidder for 152 Tetuan Street and confer with representative for purchaser and Ben Rivera.	0.70	206.50
J. D. Maglich	04/15/21	B120	Numerous correspondence with Puerto Rico legal counsel regarding procedure and necessary steps to enforce Court's Order approving sale of 152 Tetuan Street and confer with Receiver regarding strategy and next steps	2.00	590.00
J. D. Maglich	04/20/21	B120	Confer with Receiver and L. Humphries regarding strategy on Lendacy loan demand letters.	0.30	88.50

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J. D. Maglich	04/20/21	B120	Review correspondence from K.P. regarding Lendacy demand letter.	0.20	59.00
J. D. Maglich	04/20/21	B120	Draft correspondence to art dealer in Banco Espanol studio.	0.20	59.00
J. D. Maglich	04/20/21	B120	Review release to be provided to buyer visiting Banco Espanol building and confer with Ben Rivera regarding same.	0.20	59.00
J. D. Maglich	04/14/21	B120	Exchange correspondence with other third parties submitting bona fide offers and with previous purchaser relating to status of overbidding process	0.50	147.50
J. D. Maglich	04/20/21	B120	Confer with PR local counsel regarding validation of certified Florida sale order and closing of Banco Espanol building.	0.30	88.50
J. D. Maglich	04/15/21	B120	Review executed Purchase and Sale Agreement for 152 Tetuan St from buyer and confer with Receiver regarding same	0.30	88.50
M. A. Kornfeld	05/20/21	B120	Review analyze emails issues relating to prior turnover motion, sale of apartment during pendency of SEC enforcement proceeding.	1.40	612.50
M. A. Kornfeld	04/28/21	B120	Review, analyze direct confer with J. Maglich, Puerto Rico counsel regarding closing documents and proceeds wire transfers administration of funds fees and expenses.	0.60	262.50
M. A. Kornfeld	04/28/21	B120	Emails with Broker and J. Maglich regarding listing and soliciting bids and marketing buildings, HOA fees other requirements.	0.50	218.75
M. A. Kornfeld	05/10/21	B120	Fly to Puerto Rico for closing. NO CHARGE	5.00	N/C
M. A. Kornfeld	04/26/21	B120	Attend throughout day administration, closing issues for sale of building and May 11 closing with counsel.	0.50	218.75
L. Humphries	05/06/21	B120	Preparation of edits to Notice of Serving Non-party Subpoenas and related correspondence.	0.20	54.00
L. Humphries	04/19/21	B120	Preparation of edits to letter to Mr. Todd Merer.	0.20	54.00

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L. Humphries	06/07/21	B120	Preparation of various correspondence to Noel Zamot regarding production of documents; Receipt and review of correspondence from same.	0.30	81.00
M. A. Kornfeld	05/13/21	B120	Review, analyze, confer emails with J. Maglich regarding sale of villas, transfer of title, legal research, discussions with Puerto Rico counsel, Zwindi, Yvonne, broker, Mr. Williams position, Puerto Rico homestead exemption, SEC v Mr. Williams, eviction proceedings, import of turnover proceedings, delay arguments, equity.	1.40	612.50
M. A. Kornfeld	04/21/21	B120	Emails, communications with broker, J. Maglich regarding HOA, apartment buildings collection actions versus Mr. Williams.	0.50	218.75
M. A. Kornfeld	04/05/21	B120	Review, analyze, advise regarding bids, process, good faith earnest money, next steps on sale of building.	0.50	218.75
L. Humphries	04/15/21	B120	Drafted updated demand letters to recover funds for Receiver.	0.50	135.00
L. Humphries	05/11/21	B120	Preparation of edits to non-party subpoenas.	0.50	135.00
L. Humphries	06/03/21	B120	Preparation of summary notes to file and Receiver regarding status of payment from non-investor.	0.50	135.00
M. A. Kornfeld	05/10/21	B120	Meet with counsel, broker, confer with J. Maglich regarding closing, sale, fees, commissions, expenses, administration, paperwork, apartment building.	1.00	437.50
M. A. Kornfeld	04/23/21	B120	Review analyze motion, emails, processes, coordinate with Puerto Rico counsel, broker, J. Maglich regarding closing of sale of building, marketing of apartment building, parking spaces.	0.50	218.75
M. A. Kornfeld	04/19/21	B120	Emails, confer w J. Maglich, broker regarding marketing and sale approach and requirements for listing and marketing the apartments.	0.40	175.00
M. A. Kornfeld	04/16/21	B120	Emails, advise J. Maglich regarding sale of apartment building, need for releases for on site diligence.	0.20	87.50

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M. A. Kornfeld	05/17/21	B120	Review, analyze issues relating to sale of the apartments, turnover, title, homestead arguments.	0.50	218.75
M. A. Kornfeld	06/30/21	B120	Review correspondence, emails, work product, regarding apartments, homestead, sale of same.	0.50	218.75
M. A. Kornfeld	04/15/21	B120	Emails, calls throughout day with Puerto Rico counsel, J. Maglich regarding deed, purchase and sale agreement, title, registrar, disclosures, documents needed to close, power of attorney, signatures, possible requests of Florida and or Puerto Rico courts, strategies, delivery of proceeds, return of prior earnest money for unsuccessful bidders, other contingencies.	2.00	875.00
M. A. Kornfeld	04/29/21	B120	Emails review analyze closing documents for sale of building, marketing and processes for sale of apartment, checklist of issues for Puerto Rico counsel for May 11 closing administration of payments and funds.	0.50	218.75
M. A. Kornfeld	06/07/21	B120	Review proposed claims determinations, confer with J. Maglich regarding motion.	0.40	175.00
M. A. Kornfeld	04/19/21	B120	Emails, analysis, with J. Maglich, Puerto Rico counsel regarding what is required to be filed, what needs to be validated by Puerto Rico court, strategies, procedures and timing as to closing on sale of building.	1.20	525.00
J. D. Maglich	05/14/21	B120	Confer with GlobalScreen regarding obtaining ISX source code.	0.20	59.00
M. A. Kornfeld	06/18/21	B120	Review, update, analysis regarding sale of apartments, reserves, distributions approach claims motion filed.	1.40	612.50
M. A. Kornfeld	04/20/21	B120	Emails, confer throughout day with J. Maglich, Puerto Rico counsel, regarding motion to validate, delivery of order for approval in district of Puerto Rico, closing.	0.50	218.75

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M. A. Kornfeld	05/12/21	B120	Emails, review, comment on communications relating to turnover, tenants, eviction, marketing and sale of apartments.	0.50	218.75
J. D. Maglich	04/23/21	B120	Confer with L. Humphries and M. Swatt regarding status of Github repository.	0.40	118.00
M. A. Kornfeld	04/14/21	B120	Emails, calls throughout day with J. Maglich regarding discussions, other bidders, initial bidder, earnest monies, process, purchase and sale agreement, court requirements, execution, power of attorney, processes, necessary steps/documents to close sale to highest bidder.	1.50	656.25
M. A. Kornfeld	05/16/21	B120	Review closing binder on sale of building, Notice relating to same.	0.20	87.50
M. A. Kornfeld	05/13/21	B120	Review, analyze, proofs of claims, documents, statements, emails with J. Maglich regarding claims processes status, response to Mr. Williams, Symmes, Fogarty, position on alleged appreciation, import of using other people's investment money to buy personal property, objections, reserves, distributions.	2.00	875.00
L. Humphries	04/12/21	B120	Preparation of correspondence regarding Lendacy loan amounts.	0.10	27.00
L. Humphries	04/30/21	B120	Receipt and review of correspondence from Marshall Swatt.	0.10	27.00
L. Humphries	04/23/21	B120	Preparation of various correspondence with Marshall Swatt regarding ISX issues; Receipt and review of correspondence regarding same.	0.30	81.00
L. Humphries	05/14/21	B120	Attendance at phone conference with Mr. Todd Merer regarding demand letter.	0.40	108.00
L. Humphries	04/30/21	B120	Attendance at phone conference with Marshall Swatt and Erik Koster.	0.50	135.00
L. Humphries	04/29/21	B120	Preparation of updated letter to non-investors.	0.40	108.00

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L. Humphries	04/20/21	B120	Preparation of various correspondence with Receiver and investors regarding formal agreement for Kinetic payment of outstanding loan.	0.30	81.00
L. Humphries	04/05/21	B120	Review and analysis of Lendacy information in preparation for letters to investors.	1.50	405.00
L. Humphries	04/14/21	B120	Preparation of correspondence to Marshall Swatt regarding ISX; Receipt and review of correspondence from Marshall Swatt concerning same.	0.20	54.00
J. D. Maglich	06/07/21	B120	Review correspondence from GlobalScreen regarding ISX code.	0.10	29.50
L. Humphries	04/14/21	B120	Review and analysis of correspondence regarding Mr. Todd Merer retainer from Kinetic.	0.20	54.00
L. Humphries	06/16/21	B120	Preparation of edits to Receiver's Claims Determination Motion for Court.	0.50	135.00
L. Humphries	05/18/21	B120	Preparation of high-level research on behalf of the Receiver regarding application of Homestead Exemption and other outstanding issues in valuation of assets.	1.50	405.00
L. Humphries	04/16/21	B120	Attendance at phone conference with Investor Michael Sayer regarding demand letter.	0.30	81.00
L. Humphries	05/21/21	B120	Attendance at phone conference with Mr. Todd Merer regarding knowledge about Mr. Williams, repayment of \$75,000 debt, publication of novel, communications with Mr. Williams' partner, work completed for Mr. Williams, and subpoena documents.	0.70	189.00
L. Humphries	06/15/21	B120	Attendance at phone conference with Mr. Todd Merer regarding payment of \$75,000 debt.	0.60	162.00
L. Humphries	04/28/21	B120	Preparation of correspondence regarding ISX repository and asset.	0.20	54.00
L. Humphries	04/30/21	B120	Attendance at phone conference with J. Maglich regarding ISX.	0.20	54.00

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J. D. Maglich	04/22/21	B120	Confer with Receiver and PR local counsel regarding closing and sale status (.3); Exchange correspondence with counsel for Villa Gabriella homeowners association (.3)	0.60	177.00
L. Humphries	04/16/21	B120	Attendance at phone conference regarding with J. Maglich regarding payment plan for investors.	0.20	54.00
M. A. Kornfeld	05/05/21	B120	Communications with J. Maglich regarding upcoming closing on sale of building, issues relating to marketing the apartments, potential liens, legal title.	0.50	218.75
J. D. Maglich	06/10/21	B120	Telephone and email correspondence with Zwindi Iglesias regarding status of Villa Gabriella building and next steps and confer with Receiver regarding same.	1.20	354.00
J. D. Maglich	06/14/21	B120	Confer with Marshall Swatt regarding status of recent upload of ISX software.	0.20	59.00
L. Humphries	06/01/21	B120	Preparation of, analyze research for Receiver regarding SEC proceedings and Motion against Williams on real property.	2.50	675.00
L. Humphries	05/07/21	B120	Per Receiver, research regarding denial of claim regarding principals.	1.20	324.00
M. A. Kornfeld	06/28/21	B120	Emails, confer with J. Maglich, analyze, review turnover motion papers and order and emails, Puerto Rico landlord tenant directives, timing and strategies on monetizing assets for claimants and investors.	1.50	656.25
M. A. Kornfeld	04/10/21	B120	Emails calls with J. Maglich regarding all over bids, diligence, highest bidder, next steps.	0.50	218.75
M. A. Kornfeld	05/04/21	B120	Emails confer throughout day with local counsel J. Maglich regarding may 11 closing on sale of building, and marketing of apartments.	0.50	218.75
J. D. Maglich	06/03/21	B120	Correspondence with Puerto Rico counsel regarding Villa Gabriella title and status.	0.30	88.50

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J. D. Maglich	04/29/21	B120	Confer with L. Humphries regarding status of Lendacy demand letters.	0.30	88.50
M. A. Kornfeld	06/28/21	B120	Emails confer with J. Maglich, Zwindi regarding title, options, next steps, petition, call with Mr. Williams counsel regarding eviction notices for apartments.	0.50	218.75
L. Humphries	05/21/21	B120	Researched Puerto Rico's Homestead the Exemption and application to sale of property per Receiver.	0.80	216.00
J. D. Maglich	06/20/21	B120	Secure framed artwork and assets to BIPC office and confer with Sabrina Storno regarding listing on Craigslist	0.50	147.50
L. Humphries	05/10/21	B120	Preparation of high level research regarding limiting claims of insiders due to knowledge of activity.	2.50	675.00
L. Humphries	05/04/21	B120	Researched, analyzed case law regarding denial of claims of individuals who purportedly acted in concert against the interest of defrauded investors and claimant.	2.20	594.00
L. Humphries	06/03/21	B120	Preparation of high-level research in preparation for meeting with Receiver regarding claims priority, investor recovery, and order of payment.	0.80	216.00
M. A. Kornfeld	05/26/21	B120	Emails with broker, J. Maglich regarding apartments, timing, next steps.	0.20	87.50
J. D. Maglich	04/16/21	B120	Work with L. Humphries to finalize and send out demand letters to Lendacy loan recipients and confer with L. Humphries regarding response from recipients; Confer with Ben Rivera regarding buyer request on 152 Tetuan St.	0.90	265.50
J. D. Maglich	06/14/21	B120	Confer with Puerto Rico counsel regarding status of Villa Gabriela outstanding items.	0.30	88.50
L. Humphries	05/20/21	B120	Preparation of research regarding issues presented by Receiver concerning Mr. Williams, ownership rights.	1.50	405.00



MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	06/15/21	B120	Per Receiver, researched and analyze case law regarding Order or Payment in court of equity when individual presents with unclean hands; Preparation of research regarding 11th Circuit case law for Motion for Approval of Receiver's claims process.	3.50	945.00
L. Humphries	05/11/21	B120	Review and analysis of update email from Receiver regarding outstanding tasks on asset retrieval; Preparation of correspondence regarding same.	0.20	54.00
M. A. Kornfeld	06/25/21	B120	Review, analyze emails, correspondence regarding transfer of title, petition marketing apartments, pending SEC vs. Williams matter, tenants.	0.50	218.75
J. D. Maglich	06/04/21	B120	Telephone call with Receiver and S. Moot regarding current outstanding items.	0.50	147.50
J. D. Maglich	04/26/21	B120	Confer with Receiver regarding inquiry from Villa Gabriella and prepare for 4/27 call.	0.40	118.00
T. A. Pellegrine	06/28/21	B120	Review of documents produced by Banco Popular for production of complete document via executable file provided by Banco Popular.	0.50	97.50
L. Humphries	04/15/21	B120	Review, analysis, and assessed file regarding documents regarding Lendacy letters and information for investors.	0.80	216.00
L. Humphries	05/25/21	B120	Preparation of research regarding application of Laws of Puerto Rico and SEC action effect.	1.50	405.00
L. Humphries	05/24/21	B120	Researched effect of SEC proceedings on work of Receiver in dealing with estate and assets of entity.	0.80	216.00
M. A. Kornfeld	04/01/21	B120	Emails to approve and authorize Notice of Publication regarding Old San Juan building.	0.40	175.00
M. A. Kornfeld	04/02/21	B120	Emails, direct J. Maglich regarding sale of office equipment.	0.20	87.50
M. A. Kornfeld	04/01/21	B120	Emails, advise, approve regarding sale of items in storage.	0.20	87.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	06/03/21	B120	Telephone call with L. Humphries and Receiver regarding pending asset recovery efforts and next steps.	1.00	295.00
J. D. Maglich	04/06/21	B120	Confer with L. Humphries regarding Lendacy demand letters.	0.20	59.00
J. D. Maglich	04/26/21	B120	Review correspondence from K.P. recipient of Lendacy demand letter and confer with L. Humphries regarding same.	0.30	88.50
J. D. Maglich	06/28/21	B120	Review Stipulation and Order relating to Villa Gabriella condos, telephone conference with counsel for Williams, and confer with Receiver regarding strategy and next steps	1.30	383.50
J. D. Maglich	05/05/21	B120	Review correspondence from Banco Popular regarding recent subpoena and confer with Sabrina Storno regarding next steps.	0.30	88.50
J. D. Maglich	04/06/21	B120	Review correspondence from Ben Rivera regarding proposal for Villa Gabriella.	0.30	88.50
L. Humphries	05/14/21	B120	Review of documents regarding Mr. Todd Merer and payment received in January of 2020.	0.20	54.00
L. Humphries	04/23/21	B120	Attendance at phone conference with J. Maglich regarding initial document retrieval and questions regarding	0.20	54.00
L. Humphries	05/14/21	B120	Preparation of edits to third-party subpoenas to determine information relevant to valuing assets; Receipt and review of local rules regarding same.	0.60	162.00
J. D. Maglich	04/27/21	B120	Review Puerto Rico docket of miscellaneous petition to validate sale order and confer with Puerto Rico counsel regarding status of closing.	0.50	147.50
L. Humphries	05/06/21	B120	Review and analysis of correspondence from Andre A. Bonvanie regarding ISX platform.	0.10	27.00
L. Humphries	06/07/21	B120	Review and assessed subpoena to Noel Zamot regarding inquiry on production by Jeanelle Escobar.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	05/07/21	B120	Receipt and review of correspondence regarding ISX evaluation from Marshall Swatt.	0.20	54.00
L. Humphries	05/03/21	B120	Assessed information for Mr. Todd Merer regarding debt owed to Kinetic Funds.	0.40	108.00
L. Humphries	04/16/21	B120	Receipt and review of correspondence from investor regarding loan amount; Preparation of correspondence regarding same.	0.30	81.00
L. Humphries	04/16/21	B120	Preparation of documents for mailing to investors regarding loans and debt owed to Kinetic entities.	1.50	405.00
J. D. Maglich	04/21/21	B120	Confer with Receiver and PR local counsel regarding filing to validate Florida sale order (.3); Review correspondence from counsel for Villa Gabriella homeowners association and confer with Receiver regarding same (.4); Review and finalize Notice of Bona Fide Offers and confer with L.	1.10	324.50
J. D. Maglich	04/12/21	B120	Humphries to prepare for filing (.4) Review status of bona fide offers received on 152 Tetuan Street and confer with Receiver, Ben Rivera, and potential bidders regarding same and next steps.	1.00	295.00
J. D. Maglich	06/30/21	B120	Review status of negotiations with third parties that received demand letters and confer with Lauren Humphries and Receiver regarding same	0.50	147.50
J. D. Maglich	04/09/21	B120	Review additional offers received for Banco Espanol building and exchange numerous emails with third parties and Receiver regarding bidding procedures and offers.	1.00	295.00
L. Humphries	04/27/21	B120	Assessed information regarding Github and ISX for phone call with Marshall Swatt on evaluation.	0.40	108.00
L. Humphries	04/02/21	B120	Preparation of documents and Kinetic records for expert Marshall Swatt; Preparation of various correspondence	0.20	54.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	06/30/21	B120	Preparation of various correspondence regarding Mr. Todd Merer issue.	0.20	54.00
J. D. Maglich	04/13/21	B120	Review and analyze status of bona fide offers on 152 Tetuan Street, confer with legal team and real estate broker, and review and review proposed purchase and sale agreement,	2.00	590.00
J. D. Maglich	04/27/21	B120	Review Villa Gabriella marketing materials and documents from attorneys for Villa Gabriella HOA board, participate in call with attorneys from HOA board, and confer with Receiver and Ben Rivera regarding same.	1.50	442.50
J. D. Maglich	06/09/21	B120	Exchange and review correspondence with Marshall Swatt and GlobalScreen regarding ISX code.	0.30	88.50
L. Humphries	06/28/21	B120	Assessed information regarding outstanding non-investor repayments for update to receiver.	0.50	135.00
L. Humphries	06/28/21	B120	Attendance at phone conference regarding issue with claims letter number in notice to investors; Preparation of review of corrected correspondence regarding same.	0.30	81.00
L. Humphries	05/13/21	B120	Receipt and review of phone message from Mr. Todd Merer regarding Demand Letter; Preparation of correspondence concerning same.	0.30	81.00
L. Humphries	06/02/21	B120	Review and analysis of communications from non-investors regarding status of Lendacy debts owed to Kinetic for meeting with receiver on further plan for recovery of asset, payment plan for larger outstanding debts, and phone conference with individuals challenging loan amounts.	2.40	648.00
L. Humphries	06/25/21	B120	Preparation of update to Receiver regarding status of non-investor payment.	0.20	54.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	04/13/21	B120	Receipt and review of correspondence from Marshall Swatt regarding Git code depository question; Assessed ISX information in file to provide further information to Marshall Swatt.	0.30	81.00
J. D. Maglich	06/25/21	B120	Review correspondence from Williams' counsel regarding eviction notice and confer with Receiver regarding same.	0.40	118.00
J. D. Maglich	05/13/21	B120	Review correspondence from Mr. Williams' counsel regarding sale of Villa Gabriela apartments, confer with Receiver, and exchange correspondence with Ben Rivera.	0.50	147.50
L. Humphries	05/12/21	B120	Assessed Notice Motion to Court regarding sale of real property in preparation of filing and edits to content.	0.20	54.00
J. D. Maglich	05/11/21	B120	Draft Receiver's Notice of Completed Sale of 152 Tetuan Street, confer with Receiver, and prepare for filing.	0.90	265.50
L. Humphries	05/27/21	B120	Review and analysis of voice mail and message from Mr. Todd Merer.	0.20	54.00
L. Humphries	04/08/21	B120	Conferred with J. Maglich regarding demand letters to Lendacy loan recipients.	0.30	81.00
L. Humphries	04/02/21	B120	Phone conference with FinTech expert Marshall Swatt regarding nature of engagement, Kinetic information, and necessary ISX files.	0.80	216.00
L. Humphries	04/26/21	B120	Attendance at phone conference with Michael Sayre regarding outstanding debt and communication with Receiver.	0.20	54.00
J. D. Maglich	04/08/21	B120	Confer with L. Humphries regarding draft demand letters to Lendacy and non-Lendacy loan recipients.	0.40	118.00
L. Humphries	04/23/21	B120	Attendance at phone conference with Marshall Swatt regarding issue with Github upload and ISX file review.	0.30	81.00
J. D. Maglich	06/01/21	B120	Confer with Receiver and L. Humphries regarding open asset recovery items and scheduling of meeting to discuss same.	0.30	88.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	04/21/21	B120	Attendance at phone conference with Receiver regarding strategy for obtaining payments from debtors; Preparation of summary correspondence regarding same.	0.20	54.00
L. Humphries	04/28/21	B120	Attendance at phone conference with Marshall Swatt, Jeanell Alemar-Escabi, and Dan Roche regarding ISX issues.	0.60	162.00
L. Humphries	06/29/21	B120	Attendance at phone conference with Michelle Silva regarding claims determination and letter sent from Receiver.	0.30	81.00
J. D. Maglich	04/19/21	B120	Email and telephone correspondence with Puerto Rico counsel regarding sale and closing process for 152 Tetuan Street property and confer with Receiver regarding same	1.00	295.00
L. Humphries	05/28/21	B120	Receipt and review of emails from non-investors.	0.30	81.00
L. Humphries	05/19/21	B120	Review and analysis of information regarding ISX.	0.20	54.00
J. D. Maglich	06/18/21	B120	Review draft motion and tenant letters from Puerto Rico counsel for Villa Gabriela property and exchange correspondence regarding same.	0.40	118.00
L. Humphries	05/13/21	B120	Preparation of edits to outstanding subpoenas to issue and file Notice with Court.	0.50	135.00
L. Humphries	06/03/21	B120	Attendance at phone conference with Receiver regarding non-investor demand letters.	1.20	324.00
L. Humphries	04/08/21	B120	Preparation of edits to information regarding Lendacy loan amounts for investors.	0.40	108.00
M. A. Kornfeld	04/06/21	B120	Emails, communications, direct broker and J. Maglich throughout day regarding sale of apartment, marketing, sale of building, processes, timing legal issues, title transfer.	1.00	437.50
M. A. Kornfeld	06/07/21	B120	Calls, emails, with J. Maglich regarding sale of apartments, title transfer, call with outside counsel, approach to same.	0.50	218.75

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	04/19/21	B120	Receipt and review of correspondence from investors regarding demand for payment of debt; Preparation of responsive correspondence regarding same.	0.30	81.00
J. D. Maglich	04/01/21	B120	Revise Notice of Publication of Notice of Sale of Banco Espanol building.	0.30	88.50
<b>Subtotal Asset Analysis and Recovery</b>				<b>142.10</b>	<b>43,909.50</b>
Total Hours				314.50	
Total Fees					\$102,455.25

#### DESCRIPTION OF COSTS

	Description	Amount
04/01/21	Consultant Expense, Website services.	600.00
04/15/21	Certified Copy of Order (DE 206)	13.00
04/16/21	Postage - M. A. Kornfeld	104.40
04/19/21	Miscellaneous Mark A. Kornfeld Storage	453.74
04/27/21	Postage - M. A. Kornfeld	26.35
04/30/21	Postage - M. A. Kornfeld	6.96
05/25/21	Express Mail - UPS Tracking #1ZF2263A0291304319	22.50
05/25/21	Express Mail - UPS Tracking #1ZF2263A0194954328	48.26
06/10/21	Certified copy of DE 103 and DE 105 (Order and Stipulation)	25.50
06/11/21	Express Mail - UPS Tracking #1ZF2263A0193554566	48.15
Total Costs		\$1,348.86

<b>Amount Due This Invoice:</b>	<b>\$103,804.11</b>
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TRUIST Place  
401 E. Jackson Street, Suite 2400  
Tampa, FL 33602-5236

T 813 222 8180  
F 813 222 8189  
www.bipc.com

### REMITTANCE STATEMENT

MARK KORNFELD, RECEIVER  
C/O BUCHANAN INGERSOLL & ROONEY  
SUNTRUST FINANCIAL CENTRE  
401 E. JACKSON STREET, SUITE 240  
ATTN: JORDAN MAGLICH, ESQUIRE  
TAMPA, FL 33602

July 14, 2021  
Invoice No. 12101189

Our Reference:	0103373-000001
Client Name:	MARK KORNFELD, RECEIVER
Invoice Date:	July 14, 2021
Invoice Number:	12101189
Total Due This Invoice:	\$103,804.11

<b>Total Due All Invoices For this Matter:</b>	<b>\$103,804.11</b>
------------------------------------------------	---------------------

**PLEASE RETURN THIS REMITTANCE STATEMENT WITH YOUR PAYMENT  
THANK YOU**

Make checks payable to: Buchanan Ingersoll & Rooney  
Union Trust Building  
Attn: Accounting Department  
501 Grant Street – Suite 200  
Pittsburgh, PA 15219-4413  
Tax ID: 25-1381032

Wire / ACH Information  
PNC Bank, N.A.  
Buchanan Ingersoll & Rooney Operating Account  
Account #: 1133081072  
Routing#: 043000096  
SWIFT CODE: PNCCUS33  
Please Reference 0103373-000001 Invoice: 12101189

Amount remitted this payment: \$\_\_\_\_\_

**RECENT FEES AND DISBURSEMENTS MAY NOT  
YET BE ENTERED ON YOUR ACCOUNT AND  
IF NOT, WILL BE SUBSEQUENTLY BILLED**



**EXHIBIT “6B”**

**YIP INVOICE**



## INVOICE DETAIL

Mark Kornfeld, Receiver  
 Buchanan Ingersoll & Rooney PC  
 401 E. Jackson Street  
 Suite 2400  
 Tampa, FL 33602

Invoice Number: 30688  
 Date: July 7, 2021  
 Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered April 1, 2021 through June 30, 2021

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/07/2021	HAL	Discussion with NED re: calculation of interest for January and February of 2020 (1.0 - No Charge); reviewed claimants with disputed claim amounts (1.3).	2.3	\$ 295	\$ 678.50	1.0	\$ (295.00)	\$ 383.50
04/07/2021	NED	Reviewed email from J. Maglich (.3); discussion with HAL re: calculation of interest rate and work to be done (1.0 - No Charge); reviewed and reconciled interest rate calculations for December 2019 (.5); analyzed/calculated interest rates for the period of January 2020 through February 2020 (.8).	2.6	\$ 245	\$ 637.00	1.0	\$ (245.00)	\$ 392.00
04/12/2021	NED	Prepared summary schedules of adjusted claims amount (3.1); conference call with J. Maglich re: same (.5); updated schedules per call (.6); prepared detailed list of Lendacy Loan activity after December 31, 2019 (.4).	4.6	\$ 245	\$ 1,127.00	-	\$ -	\$ 1,127.00
04/13/2021	NED	Email communication with J. Maglich.	0.2	\$ 245	\$ 49.00	-	\$ -	\$ 49.00
04/14/2021	NED	Reviewed J. Maglich email and reviewed schedules in preparation for upcoming meeting (.6); meeting with J. Maglich re: net investment calculation (.5); updated net investment amount analysis (.2).	1.3	\$ 245	\$ 318.50	-	\$ -	\$ 318.50
04/16/2021	HAL	Reviewed claim request from J. Maglich for Werbin and prepared response re: same.	1.6	\$ 295	\$ 472.00	-	\$ -	\$ 472.00
04/16/2021	NED	Gathered Lendacy loan statements for the 33 borrowers.	2.4	\$ 245	\$ 588.00	-	\$ -	\$ 588.00
04/20/2021	HAL	Reviewed claim and support for deposit of J. Symmes (1.2); discussion with NED re: Symmes investment (.2 - No Charge).	1.4	\$ 295	\$ 413.00	0.2	\$ (59.00)	\$ 354.00
04/20/2021	NED	Discussion with HAL re: Symmes investments (.2 - No Charge).	0.2	\$ 245	\$ 49.00	0.2	\$ (49.00)	\$ -

Invoice Number: 30688

Matter ID: 291.0001



Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/23/2021	NED	Reviewed investment records for J. Symmes investment (.3); email communication with HAL (.1); prepared response to J. Maglich (.1).	0.5	\$ 245	\$ 122.50	-	\$ -	\$ 122.50
04/27/2021	HAL	Discussion with J. Maglich re: outstanding claim issues.	0.8	\$ 295	\$ 236.00	-	\$ -	\$ 236.00
04/30/2021	HAL	Discussion with NED re: Lendacy Loan information request from J. Maglich (.4 - No Charge); researched Lendacy loans (1.3); conference call with NED and J. Maglich re: additional work to be done (.2).	1.9	\$ 295	\$ 560.50	0.4	\$ (118.00)	\$ 442.50
04/30/2021	NED	Discussion with HAL and email responses to J. Maglich (.4 - No Charge); conference call with HAL and J. Maglich re: additional work to be done (.2).	0.6	\$ 245	\$ 147.00	0.4	\$ (98.00)	\$ 49.00
05/12/2021	NED	Reviewed email and prepared response to J. Maglich re: G. Wiecek Lendacy Loan withdrawals.	0.5	\$ 245	\$ 122.50	-	\$ -	\$ 122.50
05/13/2021	NED	Reviewed email and updated schedules to adjust Symmes investment per documents produced (1.4); prepared response to J. Maglich re: same (.2).	1.6	\$ 245	\$ 392.00	-	\$ -	\$ 392.00
05/13/2021	HAL	Conference call with J. Maglich re: status update (.5); reviewed investment inquiry re: J. Symmes (1.3).	1.8	\$ 295	\$ 531.00	-	\$ -	\$ 531.00
06/02/2021	HAL	Analyzed commissions paid to J. Symmes.	1.4	\$ 295	\$ 413.00	-	\$ -	\$ 413.00
06/02/2021	NED	Gathered supporting documents for commissions paid to J. Symmes.	0.8	\$ 245	\$ 196.00	-	\$ -	\$ 196.00
06/07/2021	HAL	Researched earliest known investment for the Fogarty Trust.	1.1	\$ 295	\$ 324.50	-	\$ -	\$ 324.50
06/09/2021	HAL	Prepared schedule of commissions paid to J. Symmes (2.3); conference call with J. Maglich re: same (.3).	2.6	\$ 295	\$ 767.00	-	\$ -	\$ 767.00
Less Adjustment for No Charges						3.2	\$ (864.00)	
<b>Total Fees</b>			<b>30.2</b>		<b>\$ 8,144.00</b>		<b>\$ (864.00)</b>	<b>\$ 7,280.00</b>
<b><u>Expenses</u></b>								
Printing of electronic records (0 at \$.20 a page)					\$ -			
<b>Total Expenses</b>					<b>\$ -</b>			
<b>Total Amount Due</b>					<b>\$ 7,280.00</b>			



Invoice Number: 30688

Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
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**Please remit payment by mail to:**

Yip Associates  
2 South Biscayne Blvd., Suite 2690  
Miami, FL 33131

**Or, via wire transfer to:**

IBERIA BANK  
200 W Congress Street  
Lafayette, LA 70501  
ABA Number: **265270413**

IBERIABANK Credit Account Information

IB Customer Name: **YIPCPA, LLC d/b/a YIP ASSOCIATES**  
IB Account Number: **4400000149**  
Amount of Wire: **\$7,280.00**

**For Credit to:**

Yip Associates  
2 South Biscayne Blvd., Suite 2690  
Miami, FL 33131

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “6c”

**E-Hounds, Inc.**

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

**Invoice for Services**

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
04/01/2021	04/30/2021	91154	<b>\$875.00</b>	in RE: Kinetic	Due on Receipt

**Invoice to:**

BIPC  
in RE: Kinetic  
401 E. Jackson St  
Suite 2400  
Tampa, FL 33602-5236

**Case Contact:**

Buchanan Ingersoll  
Jordan Maglich  
813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
4	04/05/2021		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	04/05/2021		E-Hounds Review® Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

SUBTOTAL **\$875.00****Payments Applied**TOTAL **\$875.00****Balance Due** **\$875.00**Retainer Amount Remaining **\$0.00****Please note: Our fees are subject to change annually. Last change: 1/2/2021****Statement of Limited Liability and Financial Responsibility**

E-Hounds, Inc. shall not be liable under any circumstances for any special, consequential, or exemplary damages arising from the use or misuse of data or equipment after it has been returned to the client and/or owner(s). E-Hounds shall not be liable for the continued storage of recovered data for more than 30 days unless otherwise specified in writing by the client. Any problems with recovered data must be reported to E-Hounds within 5 business days of receipt. Property and/or equipment held for legal matters is held for 1 Year at the client's request or upon case closure. Additional storage fees may apply to extended storage/maintenance. ABSOLUTELY NO REFUNDS. This invoice is made under the fee agreement signed on behalf of the above listed client. As stated in the Fee Agreement for E-Hound's services, Final billing must be satisfied before the final release of equipment or findings/reporting. All billing is DUE ON RECEIPT, unless stated otherwise above. All unpaid balances over 30 days will be subject to a 1.5% fee per month. Any unpaid balances over 60 days will be subject to equipment liquidation, collection process and reasonable attorney's fees incurred in collection. Services by E-Hounds is rendered on behalf of the agency, agent, or party contracting for the services, and payment for such services is the sole liability and responsibility of that agency, agent, or party, and is not transferrable or assignable.

E-Hounds also accepts:





All funds payable to:

**E-Hounds, Inc.**

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

**Invoice for Services**

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
05/01/2021	05/31/2021	92078	<b>\$875.00</b>	in RE: Kinetic	Due on Receipt

**Invoice to:**

BIPC  
in RE: Kinetic  
401 E. Jackson St  
Suite 2400  
Tampa, FL 33602-5236

**Case Contact:**

Buchanan Ingersoll  
Jordan Maglich  
813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
4	05/05/2021		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	05/05/2021		E-Hounds Review® Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

SUBTOTAL **\$875.00****Payments Applied**TOTAL **\$875.00****Balance Due** **\$875.00**Retainer Amount Remaining **\$0.00****Please note: Our fees are subject to change annually. Last change: 1/2/2021****Statement of Limited Liability and Financial Responsibility**

E-Hounds, Inc. shall not be liable under any circumstances for any special, consequential, or exemplary damages arising from the use or misuse of data or equipment after it has been returned to the client and/or owner(s). E-Hounds shall not be liable for the continued storage of recovered data for more than 30 days unless otherwise specified in writing by the client. Any problems with recovered data must be reported to E-Hounds within 5 business days of receipt. Property and/or equipment held for legal matters is held for 1 Year at the client's request or upon case closure. Additional storage fees may apply to extended storage/maintenance. ABSOLUTELY NO REFUNDS. This invoice is made under the fee agreement signed on behalf of the above listed client. As stated in the Fee Agreement for E-Hound's services, Final billing must be satisfied before the final release of equipment or findings/reporting. All billing is DUE ON RECEIPT, unless stated otherwise above. All unpaid balances over 30 days will be subject to a 1.5% fee per month. Any unpaid balances over 60 days will be subject to equipment liquidation, collection process and reasonable attorney's fees incurred in collection. Services by E-Hounds is rendered on behalf of the agency, agent, or party contracting for the services, and payment for such services is the sole liability and responsibility of that agency, agent, or party, and is not transferrable or assignable.

E-Hounds also accepts:





E-Hounds, Inc.

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

**PLEASE NOTE OUR NEW ADDRESS ----->**  
(effective December 20, 2018)

## Invoice for Services

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
06/01/2021	06/30/2021	92782	<b>\$875.00</b>	in RE: Kinetic	Due on Receipt

**Invoice to:**

BIPC  
in RE: Kinetic  
401 E. Jackson St  
Suite 2400  
Tampa, FL 33602-5236

**Case Contact:**

Buchanan Ingersoll  
Jordan Maglich  
813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
4	06/05/2021		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	06/05/2021		E-Hounds Review® Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

SUBTOTAL **\$875.00**

**Payments Applied**

TOTAL **\$875.00**

**Balance Due \$875.00**

Retainer Amount Remaining **\$0.00**

**Please note: Our fees are subject to change annually. Last change: 1/2/2018**

### Statement of Limited Liability and Financial Responsibility

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E-Hounds also accepts:





**EXHIBIT “6D”**

**PDR INVOICES**



**PDR CPAs + Advisors**  
**Total Hours and Dollars by Timekeeper**  
**June 1, 2021 through June 30, 2021**

<u>Initials</u>	<u>Name</u>	<u>Level</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
WEP	William E. Price	CPA	\$ 320.00	0.00	\$ -
TLH	Tracy Hess	Tax Manager	\$ 210.00	0.00	\$ -
GAH	Gail Heinold	Manager	\$ 155.00	0.75	\$ 116.25
SRS	Shelly Spencer	Staff	\$ 125.00	5.25	\$ 656.25
SAO	Sharon O'Brien	Staff	\$ 125.00	0.00	\$ -
<b>Total Billed for June 2021</b>				<b>6.00</b>	<b>\$ 772.50</b>

**EXHIBIT “6E”**

**IRW INVOICE**

## INVOICE

PMB 721  
1353 Ave. Luis Vigoreaux  
Guaynabo, PR 00966  
USA

irwlawoffice@me.com  
O: 7877750624

Number	201904223
Issue Date	4/5/2021
Due Date	4/20/2021
Email	Jordan.Maglich@bipc.com

## Bill To:

Buchanan Ingersoll & Rooney PC  
O: 813-222-2098

## Time Entries

Time Entries		Hours	Sub
2020 Senior Attorney ZI 1/11/2021 152 Tetuan Street Purchase and Sale - Perform search within the CRIM digital system to verify if documents submitted during the visit on the 17th were changed and duly registered. CRIM digital system reflected the change of ownership and proceeded to obtain the requested certifications of debts.	\$200.00	1.50	\$300.00
2020 Senior Attorney ZI 2/1/2021 152 Tetuan Street Purchase and Sale - Receive information from Ben regarding status of the loan for Buyer. Draft and send email to client requesting to file the motion for approval of sale from the court. Receive email reply from Jordan. Communicate with Ben to let Buyer know of the status of the motion.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 2/15/2021 152 Tetuan Street Purchase and Sale - Receive email from Jordan with an update on the motion from the court to approve the sale and follow up with Ben regarding any updates from Buyer.	\$200.00	0.25	\$50.00
2020 Paralegal DR 3/2/2021 Conversation with Property Registrar to consult the Joint stipulation agreed between the parties to transfer the title and possession of the properties on behalf of the Receiver. RE: San Juan I Property Register	\$150.00	0.25	\$37.50
2020 Senior Attorney ZI 3/22/2021 Call with paralegal Dayali Romero and the United States District Court of Puerto Rico. RE: Query of the joint stipulation agreed between the parties to transfer title and possession of the properties on behalf of the Receiver (our client) and to verify the process.	\$200.00	0.50	\$100.00
<b>Time Entries Total</b>		<b>3.00</b>	<b>\$587.50</b>

Total (USD) \$587.50

Paid \$0.00

Balance \$587.50

## Terms & Conditions

Payments can be made by check or ACH transfer:

BY CHECK: Please make check payable to Ivonne Rodriguez-Wiewall and send to: PMB 721, #1353 Ave. Luis Vigoreaux, Guaynabo, PR 00966

Payments made through wire-transfer must include an additional \$15.00, which is the fee charged by the bank.

BY ACH TRANSFER:

Bank Name	Banco Popular de Puerto Rico (BPPR)
Routing number	021502011
Account Name	IRW Law Office
Account Holder's Address	PMB 721, #1353 Luis Vigoreaux Ave. Guaynabo, PR 00966
Account Number	367-111189
Additional information	Please contact Ms. Rosaymar Berrios at 787-775-0624 or 787-590-7070, or by email at <a href="mailto:rosaymar@irwlaw.com">rosaymar@irwlaw.com</a> , should you encounter any difficulties.

Thank you!

## INVOICE

PMB 721  
1353 Ave. Luis Vigoreaux  
Guaynabo, PR 00966  
USA

irwlawoffice@me.com  
O: 7877750624

Number	201904345
Issue Date	5/31/2021
Due Date	6/15/2021
Email	Jordan.Maglich@bipc.com

## Bill To:

Buchanan Ingersoll & Rooney PC  
O: 813-222-2098

## Time Entries

Time Entries		Hours	Sub
2020 Senior Attorney ZI 4/13/2021 Verify process for authorization of receiver to execute the Deed of Purchase and Sale with in the name of SCIPIO, LLC. Receive email regarding the new offer for Calle Tetuan property and review Purchase and Sale Agreement.	\$200.00	2.50	\$500.00
2020 Senior Attorney ZI 4/14/2021 152 Calle Tetuan - Revise clean draft of Purchase Agreement sent, including case filed at the District of Puerto Rico. Revise documents sent via email and exchange email communications with client.	\$200.00	2.00	\$400.00
2021 Junior Attorney GD 4/14/2021 Call with US Marshalls Roberto Schmidt and Gustavo Rodriguez to consult and validate process of authorization of Receiver to execute Deed of Sale for SCIPIO, LLC's 152 Tetuan Street, San Juan property in accordance with Order issued by the US District Court of Florida, Tampa Division.	\$175.00	1.00	\$175.00
2020 Senior Attorney ZI 4/14/2021 Legal Authority for Receiver to Execute Deed of Purchase and Sale - Calle Tetuan 152 Closing. Telephone conversation with Damian (Attorney for the Receiver in USDC Puerto Rico case), Call with Carolina Garriga, Esq. from the Title Insurance Company regarding the confirmation of Mark's legal capacity to execute the Deed of Purchase and Sale.	\$200.00	2.00	\$400.00
2020 Senior Attorney ZI 4/15/2021 Conference call with client regarding the validation of Order in Federal Court. Review and reply to various emails with client and Judge Fuste.	\$200.00	1.00	\$200.00
2020 Senior Attorney ZI 4/19/2021 Call with clients regarding the closing process of 152 calle Tetuan.	\$200.00	0.50	\$100.00
2020 Lead Attorney 4/19/2021 RE: Validation of Court Order; notary in Puerto Rico; POA	\$250.00	0.50	\$125.00
2020 Senior Attorney ZI 4/20/2021 Draft and send email to client with status of the pending documents.	\$200.00	0.25	\$50.00

Time Entries		Hours	Sub
2021 Junior Attorney GD 4/20/2021 152 Calle Tetuan Property. Re: Call with the Property Registry of San Juan to consult recording and authorization of court receiver to appear in sale deed, and process for validation of sale.	\$175.00	1.00	\$175.00
2020 Senior Attorney ZI 4/20/2021 Draft Motion for Petition of Miscellaneous Case for validation of order.	\$200.00	1.00	\$200.00
2020 Senior Attorney ZI 4/21/2021 Personal Appearance at the US District Court of Puerto Rico. Call with Ben regarding closing. Email client with update from the District Court.	\$175.00	1.50	\$262.50
Senior Attorney ZI 4/21/2021 Certified Order :Verify Fed Ex package received, and documents.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 4/23/2021 Personally file Miscellaneous Petition case Misc. No. 21-mc-200 (FAB) at the Puerto Rico US District Court.	\$200.00	1.50	\$300.00
2021 Junior Attorney GD 4/27/2021 152 Calle Tetuan Property. Re: Calls with Clerk Mildred Concepción from US District Court of Puerto Rico to validate and receive Granted Order registered and entered on Docket Report for PR case.	\$175.00	0.25	\$43.75
2021 Junior Attorney GD 4/29/2021 Call with US District Court to validate status of upload and registry of granted court Order in case docket for validation and execution of sale of 152 Calle Tetuan San Juan Property.	\$175.00	0.25	\$43.75
2020 Senior Attorney ZI 5/4/2021 Conference call with Jordan regarding next steps for selling Condominium Villa Gabriela properties.	\$200.00	0.50	\$100.00
2021 Junior Attorney GD 5/11/2021 Sale of Viejo San Juan Properties Cond. Gabriela's House. Re: Search in Karibe for Deed of Purchase and sale, Deed number #2 of 2017, and review content of deed. Email to Attorney Ana Toledo, Notary of the deed, to consult uncanceled mortgages for properties #5231, 5232 and 5229. Call with Attorney Toledo to discuss this matter.	\$175.00	1.50	\$262.50
2020 Senior Attorney ZI 5/12/2021 Cond. Gabriela's House. Review Deed of Purchase and sale, Deed number #2 of 2017, and review content of deed. Review Title Studies for the Gabriela's Properties.	\$200.00	1.00	\$200.00
2021 Junior Attorney GD 5/13/2021 Sale of Condominio Gabriela's House and Cochera (VSJ). Re: Call to Marshall Gustavo Rodríguez to consult special Marshall appearance for transfer of property and process. Directed to call to Marshall Mercado (Asset Forfeiture) and left voicemail to call back.	\$175.00	0.25	\$43.75
2020 Senior Attorney ZI 5/16/2021 Send email to client with the Title Studies of Gabriela's Condo properties.	\$200.00	0.50	\$100.00

Time Entries		Hours	Sub
2021 Junior Attorney GD 5/18/2021 Follow up call with Notary Ana Toledo for status of cancellation of Mortgage on Condominio Villa Gabriela's House apartments.	\$175.00	0.25	\$43.75
2021 Junior Attorney GD 5/19/2021 Sale of Condominio Gabriela's House and La Cochera. Re: Conference call with Attorney Iglesias and Marshalls Mercado and Schmidt for consultation of selling of properties according to Joint Stipulation and Tampa's District Court Order granting stipulation. Send email to Marshall with copy of Stipulation and Order, and receive email from Marshall confirming process for selling and transfer of property.	\$175.00	0.50	\$87.50
2021 Junior Attorney GD 5/19/2021 Sale of Condominio Gabriela's House and La Cochera. Re: Call with Attorney Claudia Motta to consult process of original sale of properties on March 24,2017 and cancelation of mortgages for PH-A, PH-B and Apt 2-B. Send email to original seller in that transaction regarding status of cancellation of mortgages.	\$175.00	1.00	\$175.00
<b>Time Entries Total</b>		<b>21.25</b>	<b>\$4,087.50</b>

## Expenses

Expense	Price	Qty	Sub
Uncategorized 4/23/2021 Payment to US District Court Filing Fee - Miscellaneous Petition case Misc. No. 21-mc-200 (FAB) at the Puerto Rico US District Court.	\$49.00	1.00	\$49.00
Other 5/11/2021 Title Study for Properties: 1. 5231 2. 5232 3. 5229 4. 5434 5. 5432	\$65.00	5.00	\$325.00
<b>Expenses Total:</b>		<b>6.00</b>	<b>\$374.00</b>

Total (USD)	\$4,461.50
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Paid	\$0.00
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Balance	\$4,461.50
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Payments can be made by check or ACH transfer:

BY CHECK: Please make check payable to Ivonne Rodriguez-Wiewall and send to: PMB 721, #1353 Ave. Luis Vigoreaux, Guaynabo, PR 00966

Payments made through wire-transfer must include an additional \$15.00, which is the fee charged by the bank.

BY ACH TRANSFER:

Bank Name	Banco Popular de Puerto Rico (BPPR)
Routing number	021502011
Account Name	IRW Law Office
Account Holder's Address	PMB 721, #1353 Luis Vigoreaux Ave. Guaynabo, PR 00966
Account Number	367-111189
Additional information	Please contact Ms. Rosaymar Berrios at 787-775-0624 or 787-590-7070, or by email at <a href="mailto:rosaymar@irwlaw.com">rosaymar@irwlaw.com</a> , should you encounter any difficulties.

Thank you!

## INVOICE

PMB 721  
1353 Ave. Luis Vigoreaux  
Guaynabo, PR 00966  
USA

irwlawoffice@me.com  
O: 7877750624

Number	201904405
Issue Date	6/29/2021
Due Date	7/14/2021
Email	Jordan.Maglich@bipc.com

## Bill To:

Buchanan Ingersoll & Rooney PC  
O: 813-222-2098

## Time Entries

Time Entries		Hours	Sub
Senior Attorney ZI 5/19/2021 Sale of Condominio Gabriela's House and La Cochera. Re: Conference call with Marshalls Mercado and Schmidt for consultation of selling of properties according to Joint Stipulation and Tampa's District Court Order granting stipulation.	\$200.00	0.50	\$100.00
Senior Attorney ZI 6/3/2021 Call with Attorney Ana Toledo following up on the Cancellation of Mortgages pending for Villa Gabriela Condo's.	\$200.00	0.50	\$100.00
Senior Attorney ZI 6/7/2021 Call Centurion Insurance Re: Ileana Velez. Contact Ana Toledo gave for the cancellation of mortgages pending for Villa Gabriela. Send email to Ileana Velez with the Title Studies of the properties reflecting the liens.	\$200.00	0.50	\$100.00
Senior Attorney ZI 6/10/2021 Call with client regarding the status the issues for the Purchase and Sale of Villa Gabriela.	\$200.00	0.75	\$150.00
Senior Attorney ZI 6/18/2021 Meet with Summner to deliver documents and provide instructions for delivery of documents. Follow up with attorney Ana Toledo regarding the original Mortgage notes for cancellation (Villa Gabriela).	\$200.00	0.75	\$150.00
Senior Attorney ZI 6/17/2021 Send Email to Lauren Humphries with address for Villa Gabriela Properties. Draft Notice of Vacancy letters for the properties at Villa Gabriela and send to client for approval. Draft Miscellaneous Petition for to register the Joint Stipulation and Order, send to client for approval. Call with the Summner to confirm availability for delivering Letters and Subpoena to the Villa Gabriela Tenants.	\$200.00	3.00	\$600.00
Senior Attorney ZI 6/21/2021 Revise draft of Miscellaneous Petition to include description of Properties in Puerto Rico.	\$200.00	0.50	\$100.00

Time Entries		Hours	Sub
Senior Attorney ZI 6/23/2021 File Miscellaneous Petition at the USDC for the District of Puerto Rico 21-mc-309, and send copy via email to client.	\$200.00	1.50	\$300.00
Senior Attorney ZI 6/23/2021 Re: Villa Gabriela - Call with Juan Aponte from Centurion Title requesting update for the original mortgage notes.	\$200.00	0.25	\$50.00
<b>Time Entries Total</b>		<b>8.25</b>	<b>\$1,650.00</b>

## Expenses

Expense	Price	Qty	Sub
Uncategorized 6/9/2021 Bank Fee	\$15.00	1.00	\$15.00
Courtfees 6/22/2021 Fees for Miscellaneous Petition presented at Federal Court.	\$49.00	1.00	\$49.00
<b>Expenses Total:</b>		<b>2.00</b>	<b>\$64.00</b>

Total (USD)	\$1,714.00
Paid	\$0.00
Balance	\$1,714.00

## Terms & Conditions

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BY CHECK: Please make check payable to Ivonne Rodriguez-Wiewall and send to: PMB 721, #1353 Ave. Luis Vigoreaux, Guaynabo, PR 00966

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Bank Name	Banco Popular de Puerto Rico (BPPR)
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Account Name	IRW Law Office
Account Holder's Address	PMB 721, #1353 Luis Vigoreaux Ave. Guaynabo, PR 00966
Account Number	367-111189
Additional information	Please contact Ms. Rosaymar Berrios at 787-775-0624 or 787-590-7070, or by email at <a href="mailto:rosaymar@irwlaw.com">rosaymar@irwlaw.com</a> , should you encounter any difficulties.

Thank you!

SEC vs. Kinetic Investment Group, LLC, et al  
CASE NO.: 8:20-cv-394

## EXHIBIT “7”

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KINETIC INVESTMENT GROUP, LLC  
and MICHAEL SCOTT WILLIAMS,

CASE NO.: 8:20-cv-394-MSS-SPF

Defendants, and

KINETIC FUNDS I, LLC, KCL SERVICES,  
LLC d/b/a LENDACY, SCIPPIO, LLC,  
LF 42, LLC, EL MORRO FINANCIAL  
GROUP, LLC, and KIH, INC., f/k/a  
KINETIC INTERNATIONAL, LLC,

Relief Defendants.

\_\_\_\_\_ /

ORDER GRANTING RECEIVER'S FIFTH INTERIM OMNIBUS  
APPLICATION FOR ALLOWANCE AND PAYMENT OF  
PROFESSIONALS' FEES AND REIMBURSEMENT OF EXPENSES  
FOR APRIL 1, 2021 – JUNE 30, 2021

THIS CAUSE came before the Court on the Receiver's (the "**Receiver**") Fifth Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for April 1, 2021 through June 30, 2021 (Doc. \_\_) (the "**Application**"). With the Court having considered the Application, reviewed the file, and finding that cause exists to grant the Application, it is hereby **ORDERED** as follows:

1. The Application is **GRANTED**.

2. The Court awards the following sums and directs that payment be made from Receivership assets:

Mark A. Kornfeld, Esq. and Buchanan Ingersoll	\$103,804.11
	\$7,280.00
Yip & Associates -Hounds	\$2,625.00
PDR CPAs + Advisors	\$772.50
IRW Law Offices	\$6,763.00

**DONE and ORDERED** this \_\_\_\_ day of \_\_\_\_\_, 2021 in the  
Middle District of Florida.

---

**UNITED STATES DISTRICT COURT  
JUDGE**